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SOCIAL ECONOMIST

GEORGE GUNTON, Editor.

JANUARY, 1893.

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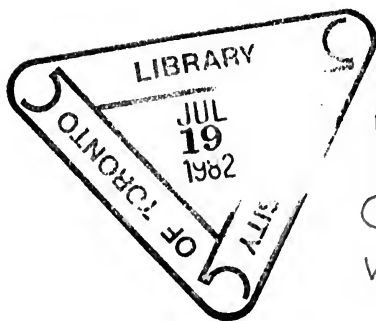
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SOCIAL ECONOMIST.

JANUARY, 1893.

Our New Industrial Policy.

Unless Mr. Cleveland and the leaders of the Democratic party are huge political shams, we may confidently expect a radical change in our industrial policy after the fourth of March, 1893.

Mr. Cleveland is the very embodiment of the opposition to our present industrial policy. His sixth of December message gave political form to anti-protection sentiment, and furnished a name around which tariff-haters of all shades could rally. For years the burden of his public utterances and those of the leaders of his party, in press and forum, has been that our industrial policy is a system of robbery, plundering the poor for the sake of the rich, debauching our public men by furnishing both motives and means for political corruption, and undermining the integrity of the republic.

While thus attacking the present policy as uneconomic and immoral, they have held out the promise that the Democratic party, if elected to power, would inaugurate a policy that would lighten the burdens of taxation to consumers, increase the earnings of laborers, and destroy the possibility of monopoly by millionaires. The people have taken them at their word, and after the fourth of March they are to have an opportunity of inaugurating their new policy, so full of promise for the nation.

What this new policy will be the whole nation, the whole civilized world, indeed, is anxious to know. Should

the change be as radical as some prominent Democratic journals and statesmen advocate, it would materially alter the industrial relations of the leading countries in Christendom. Our market, being the best in the world, would become the objective point of much European capital, especially in England, which would involve a readjustment of economic conditions in this country. Little wonder, therefore, that the world is anxiously waiting, Europe with high hopes, and America with fear and trembling, for the announcement of our new policy.

Of course the promised improvements are to be wrought through changes in our revenue system, or so-called tariff reform. What then will it be? Free trade? Tariff for revenue only? Or modified protection? The modified tone assumed by certain prominent Democratic papers after the election gave us reason to believe that a conservative policy might be expected. With success appears to have come a realizing sense of the responsibility of creating a radical business disturbance. Indeed, it almost seemed for a time that they had become afraid of the task they had set themselves, and wanted the public to believe that they did not mean all they had said on the stump or announced in their platform.

The more authoritative utterances of Mr. Cleveland, Senator Mills and other prominent Democrats at the recent Reform Club banquet, however, do not justify this hopeful view. These speeches show that the President-elect and his advisers sincerely regard the election as a general uprising of the people in favor of mugwump democracy and believe that they have received a mandate from the nation to put into practice the doctrines they have been preaching.

We must show to the people of the United States, said Mr. Mills, that we are honest in the declaration which we made in our convention, honest in the declarations we made on every stump, honest in the declarations we made in our newspapers. . . . We must show to them that we were sincere when we said that taxation should not be levied for the purpose of protecting anybody against competition.

Nor does there appear to be any doubt in the minds of these gentlemen as to the means to be employed for accomplishing this end. Senator Mills says further:

In order that we may give profitable and constant employment to labor in our manufacturing industries, we must untax every material that enters into manufactures. I don't mean some. That is special. We have promised that we will deal equally with the American people, that we will have no favors. I mean that we must follow the principle, no matter where that principle goes, if it is right. We should untax coal and most of our metals. We should untax pig metal, bar metal, plate metal, blooms, slabs, billets, metals in coil, metals in hoop—all these. Why should we tax them? Our promise is that we will not protect anybody against competition.

We must untax wood, hemp, jute, flax and all the fibers; we must take the tax from oils and dyes; we must take the tax from machinery. . . . Then we should take all the protection off the finished articles and reduce them to a revenue standard, thus decreasing the cost of production, decreasing the price to the consumer, increasing the consumption, increasing the production, increasing the employment and increasing the rate of wages.

If this is to be the sentiment of the new administration, we are doomed to an essentially free-trade regime. May we not hope that the practical business sense of the Democratic party will have sufficient influence in its deliberations to prevent Mr. Cleveland and his *doctrinaire* friends from bringing such a calamity upon the nation?

The remark that "we must follow the principle, no matter where that principle goes," has a plausible seeming, and was evidently regarded as the keynote of high-class statesmanship. In reality, however, it was an evidence of political light-headedness. It is the speech of a *doctrinaire*, not of a statesman. As a rule of public policy nothing could be more dangerous than to "follow a principle, no matter where that principle goes." To the statesman it matters everything "where the principle goes"; indeed, difference in its direction affords the basis for preferring one policy to another. The only objection to free trade in this country, for example, is consideration of the consequences to which it must lead.

This blind reliance upon abstract notions, regardless of results, is likely to be the danger point of the new administration.

This danger is intensified by their present state of political hallucination. They evidently imagine that there has been a general conversion of the people in favor of Democratic politics and mugwump economics. Nothing of the kind occurred. The official election returns in the various States show that the success of the Democrats, except in a few instances where local issues entered into the campaign, as in the case of the school question in Illinois, was due to a falling off of Republican votes rather than to an increase of Democratic votes. In other words, as we said in our last, it was indifference to the Republican party rather than conversion to the Democratic that produced the result.

Take for instance the States of New York, Ohio, and Indiana. The votes for 1888 and 1892 were as follows:

	1888	1892
New York,	1,286,353	1,260,331
Ohio,	812,509	804,112
Indiana,	524,374	518,355

It will be seen that the total vote, instead of increasing relatively to the population, actually diminished. In New York it fell off 26,022, in Ohio 8,397, in Indiana 6,019.

This vote was divided between the two parties as follows:

New York,	1888,	Dem. 635,965	Rep. 650,338
	1892,	Dem. 653,156	Rep. 607,175
Ohio,	1888,	Dem. 396,445	Rep. 416,054
	1892,	Dem. 401,461	Rep. 402,711
Indiana,	1888,	Dem. 261,013	Rep. 263,361
	1892,	Dem. 262,740	Rep. 255,615

These figures show that the increase of the Democratic vote in New York does not represent the full proportion of the increased voters, while the Republican shows an actual falling off of 43,165 votes. In Ohio the Democratic vote increased only 5,016, while the Republican vote fell off 13,343. In Indiana the Democratic vote increased

only 1,727, while the Republican vote fell off 7,746, thus showing that the Democratic success was due, not to any unusual accession to the Democratic party, but to a definite falling off of the Republican.

It is manifest, therefore, that Mr. Cleveland's election was not the result of any national enthusiasm for him or his party, but, on the contrary, of general political indifference on the other side. To regard this as a mandate from the American people to inaugurate a radically new industrial policy would be entirely to mistake the temper of the people and the significance of the election. The fact is that the Democratic party practically floated into office un-awares to the American people. The result of the election was a universal surprise, because nobody fully appreciated the extent to which indifference to Republican administration prevailed. If Democrats hope to remain in office for more than a single term they must rid themselves of delusion on this score and view their success in the light of these facts. They will then realize the importance of dealing cautiously with an industrial policy under which the nation has made its greatest progress.

The position of the new administration is not an easy one. Mr. Cleveland was entirely right in saying, "If we redeem the promises we have made to the voters of our land, the difficulty of our task can hardly be exaggerated." Of course it was a mistake to make such extravagant promises; and the Democrats will find themselves compelled to pay the penalty for it. Nevertheless, it will be better, both for the party and the community, to admit that too much was promised than to attempt to redeem rash pledges that would wreck our industries and bring upon the party sure defeat.

The incoming administration cannot escape altogether the duty of revising the tariff, but there are two ways to do this. One is to follow Senator Mills' plan of putting all raw materials on the free list and taking all protection from finished articles, and, as he says, reducing the tariff

to a purely revenue basis. The other is to put the tariff on a scientific basis, and to construct all schedules on the basis of protecting labor only. To levy import duties solely on a revenue basis would probably be the worst form of tariff imaginable, because it would afford protection to industries not needing its aid, and fail to protect others whose existence depends upon protection. Moreover, no reduction of taxation would be secured by this method. The present revenue is barely sufficient to meet the requirements of the government; consequently, whatever change in the tariff is adopted must yield a revenue as large as the present one, or it will create a deficit and involve new forms of taxation.

If revenue is to be the only basis of taxation, we must either take protection out of the tariff altogether by imposing on all home-made products a tax equivalent to the duty on imported products of the same kind, as England does, or we must abolish import duties altogether, and raise our revenue solely by internal taxation. Of course the first method would not be tolerated, as it would close more than one-fourth of our manufacturing industries and probably throw a quarter of a million laborers out of employment. An attempt to raise our entire revenue by internal taxation would array the whole business community against the administration. In short, a non-protective revenue system, in this country and at present, is a political impossibility, and any attempt to inaugurate a free-trade policy must prove disastrous to the party undertaking it. We shall have protection whatever party is in office, and the new administration might as well recognize this fact first as last.

None of these difficulties would accompany a revision of the tariff on a scientific protective basis for wages only. This course would make strictly economic protection the primary object of all tariffs, and would receive the indorsement of all classes and parties in this country except a few unpractical *doctrinaires*. Nobody objects to

protecting wages. The objection to our present method of applying protection is that it is in the interest of capital rather than of labor. Nor would the question of revenue be difficult to deal with, under a purely wage tariff. If a readjustment of tariffs on this basis should prove to diminish the revenue, then duties might be increased for purely revenue purposes; on the other hand, if they yielded too much revenue, internal taxes could be diminished and if necessary abolished. When protection is once placed on a scientific basis, the tariff, which is properly an economic problem, will practically pass out of the province of politics.

The only remaining question to be considered in order to establish a scientific tariff system is, "How can duties be levied to protect wages only?" This may be accomplished by making the tariff equal to the difference between the labor-cost here and in other competing countries, as we have frequently pointed out. To give practical form to this proposition, it is necessary that the extent of the difference between the labor-cost per unit of product here and in other countries be ascertained. Many people, so-called tariff reformers even, who have indicated their willingness to accept a tariff based upon this principle, doubt the feasibility of determining this difference in the labor-cost.

Some appear to assume that this difference may be ascertained by comparing the rates of wages paid in the different industries here and abroad. For example: if the wages paid in the iron industry are \$5 a day here and only \$2.50 in England, the tariff must be 50 per cent. This is a mistaken deduction. It should be remembered that what we want to protect is, not the difference in the rate of wages, but the difference that those wages make in the cost of production. It may be, and in some instances actually is, the case that the labor-cost of production per unit is actually less where the higher wages are paid than where the lower wages are paid. This is apt to be true if

the country paying the highest wages uses also better machinery, as is the case in this country, in the manufacture of watches, pianos, and many other things.

Another method, and the one which has received most general indorsement, is to ascertain the cost of labor directly expended in the production of the unit of product. This is the method which has been employed systematically by Carroll D. Wright in his investigation into the labor-cost of production of iron and steel. According to this report,* which is the most exhaustive ever published upon the subject, Colonel Wright gives the direct labor-cost of producing a ton of steel rails as \$11.59 in the United States, and in England \$7.81, making the difference \$3.78. This conclusion has been extensively quoted to show that if the tariff were adjusted to the difference of labor-cost in production here and abroad, the duty on steel rails would be reduced \$9.66 a ton.

The *New York Times*, the *Evening Post*, and other anti-tariff journals have expressed their willingness to accept a protection-to-wages basis for a tariff, largely in the belief that it would involve a reduction to this amount on steel rails and similar reductions on other protected articles; and President Elliott of Harvard expresses the same idea in the *Forum* for December. We are glad to see these journals and President Elliott ready to recognize the principle of a wage-protection tariff, even if actuated only by the belief that it would involve a radical reduction of duties. Nevertheless, those who really desire a scientific tariff must not allow desire to influence conviction, and be led to accept an erroneous principle merely because it may seem to promise a tariff reduction. If protection equal to the difference of labor-cost is the correct principle upon which to base a tariff policy, we must be sure that all this difference of labor-cost is covered by our method of calculation. No estimate of direct labor-cost will do this. In order to protect the actual existing difference, the tariff

* Sixth Annual Report of the Commission of Labor, 1890, pp. 1440.

must fully cover the indirect as well as the direct labor-cost. This essential factor Colonel Wright's investigation did not include. His calculation took in the direct labor-cost in each stage of production, from the taking of the ore from the ground to the finished product, but did not take in the indirect labor-cost in any of those stages. The indirect labor-cost is the labor-cost in the plant, machinery, etc., and is a serious item in the cost of production, which cannot be omitted.

Mr. Schoenhof did precisely this in his investigation of the labor-cost in manufacturing cotton cloth, which was made so much of by the *New York Times*. He compared the labor-cost in carding, spinning, weaving, etc., in this country and in Europe, and the difference enabled him to prove that we could produce a yard of cotton cloth at less actual labor-cost than it could be produced in England ; but he did not take into the calculation the labor-cost in furnishing the machinery and plant. His conclusion is true in so far as the actual carding and spinning is concerned, the result here being due to our superior machinery ; but in the production of the plant, which employs the labor of masons, carpenters, and other mechanics who use little or no machinery, the higher wages make a greater cost per unit. Taking the labor-cost in the manufacturing process and plant together,—direct and indirect labor cost,—it is higher here by nearly half a cent a yard than in England. So with Carroll D. Wright's investigation of the labor-cost of steel rails. Had he included in every stage the indirect labor-cost as represented in the plant, he would have found the difference to be much more than \$3.78 per ton.

In the same investigation Colonel Wright finds that the total net cost of one ton of steel rails is \$24.66 in this country, as against \$18.61 in England, the difference being \$6.05, or nearly double the difference in the direct labor-cost. Why all this difference between the net cost and the labor-cost ? What other costs than labor

are there if the process is carried through every stage of the production? This difference between \$3.78 and \$6.05 a ton is really due to the indirect labor-cost, which was not included in the calculation.

We do not cite these examples for the sake of defending the present tariff, nor to criticize Colonel Wright's report, but simply to call attention to the correct method of ascertaining the actual labor-cost in production.

It is objected that the method here explained involves too much detail; that investigation of each industry by including both the indirect and the direct labor-cost in the calculation necessitates the collection of such a monumental mass of data as to make it unavailable for practical purposes. Again, as Colonel Wright has discovered, the difficulty increases as we come to highly complex products, such as fine fabrics. Classification of these is almost impossible, since they are made in such countless varieties, and since in spinning and weaving, the amount of raw material, the mixture of materials, the quality of texture, are seldom alike in any two concerns. This would make it necessary to ascertain the labor-cost in every different grade or variation of product, which would be practically impossible.

A simpler method of ascertaining the difference in the total labor-cost of production here and abroad would be to reverse the process, thus: Instead of trying to ascertain all the actual items of labor-cost in each article, and referring the remaining amount of net cost to non-labor forces, such as rent, interest, and profit, first eliminate rent, interest, and profit, and treat the remainder as labor-cost, since in the last analysis there are no other costs that enter into the price. For example, if a ton of steel rails sells for \$25, that amount is made up of four items only,—cost of labor, rent, interest, and profit; at every stage of the process all the raw material and tools used are resolvable into these factors, and therefore, if we eliminate rent, interest, and profit, we have left only the labor-cost in the

various stages. This method is both simpler and surer ; it guards against the omission of any item of labor-cost. Nor is this a difficult task. It is now an accepted law in economics that in all established industries a certain proportion, frequently ten or fifteen per cent. of the concerns engaged therein, produce at the maximum disadvantage, and make no profit, competition forcing the price down to the cost of their production. Only those concerns whose cost of production is less than these make profits. The net cost at which these no-profit concerns produce, therefore, really represents the entire labor-cost in the industry they represent. If, then, we take the net cost of production of a few concerns in each industry producing at the greatest disadvantage, and whose products the market demands, in this and other competing countries using similar machinery, we shall have the actual difference in the labor-cost per unit of product in the different countries.

It follows that a specific duty equivalent to this amount would afford protection to wages in this country. To make protection effective, however, it would be necessary to guard with some degree of care against the competition of what may be called the surplus products of other countries. Every businesss man knows that there are conditions under which it will pay to market a certain part of the product of a plant at even less than cost, as exemplified in the "long and short haul" method in railroading. This surplus product is usually made up by the contributions of large concerns, who are using the most improved methods and therefore producing at the least cost per unit, and receiving the maximum profit. Moreover, since a tariff a fraction less than the difference in the labor-cost would be fatal to protection, it is quite as important to guard against the establishment of such a tariff in one form as in another. To insure that this minimum tariff will protect, it will only be necessary to take the cost of production of no-profit producers (those working at the

greatest disadvantage) in this country, and of those working at the greatest advantage abroad, and make the tariff equal to the difference in the cost of their production ; in other words, make the tariff equal to the difference between the highest cost of necessary production here and the lowest cost of production abroad. Since our tariff-reform friends properly attach great importance to the conclusions of Carroll D. Wright on this subject, we may say that as the result of all his investigations of the subject, in other industries as well as in iron and steel, he has finally come to the conclusion that the method outlined is the only practical way of levying a tariff that shall cover the difference in the labor-cost of production here and abroad. Moreover, in this way only can the matter be so arranged that statisticians can furnish statesmen with reliable and usable data upon which to base their schedules.

This method of dealing with the subject, it may be added, would put the whole matter on a purely economic basis, so that wages could be scientifically protected without protecting capital. If there is in our present tariff system any tendency to encourage monopoly, to foster large profits, or abnormally to raise the price above what our higher wages make necessary, it would be eliminated by the tariff system suggested.

If the Democrats are sincere in their expression of willingness to protect labor, and to so revise the tariff that it shall not favor monopoly to the detriment of the community, a grand opportunity is theirs to render the country invaluable service and make for themselves a lasting reputation. If, on the other hand, they are really opposed to protection in essence and principle, if their talk of protecting labor is but a piece of political demagogery, if they prefer to carry out Senator Mills' plan of putting all raw materials on the free list and taking protection from finished products, then they will confirm the reputation they earned thirty years ago, and should be, and surely will be, again retired from power for an indefinite period.

The Religious Sentiment in Russia.

Religions are the molds in which, one after the other, the ages cast the generations. Often the form is retained after the mold is broken: sometimes, on the contrary, religion is itself molded upon the people whom it attempts to form. This is pre-eminently the case in Russia. To study the belief of the people is to study everything of value that Russian ethnography can offer, not only in the customs and dress of the peasant, but in his mind, his soul, his conscience. Nor is this the only interest of such study; it has, besides this half-scientific, half-literary interest, a decided political value. When we study the religion of a people, scrutinize its beliefs, consider the church which instructs it and the sects which it nourishes, we may assure ourselves that we are acquiring a knowledge of its politics and social ethics by the study of their principal elements, those elements, indeed, which are their foundation and their support.

It would be as easy to build a city in the air as to construct a state without belief in the gods, says one of the ancients—Plutarch, if I am not mistaken—and upon this point most modern thinkers have been in accord with antiquity. It is in vain that science emancipates man's thought; human society cannot exist without some higher belief. Those politicians or philosophers exhibit a native presumption who believe, with the founder of positivism, that the time has come to reconduct God to the frontiers of their republic, after fitting acknowledgment of his temporary services. When God is exiled, many things follow him into exile.

Such is, to our thinking, the great difficulty which encounters our civilization on its attainment of adult age. The peril which constantly menaces modern governments, their periodical revolutions, their incessant agitations, the

restless spirit of jealousy which troubles the nations, make it evident that contemporary peoples have lost, in great measure, their ancient faith, and have found nothing to take its place.

Socialism, anarchy, or more generally speaking, the revolutionary spirit, is the eldest born of Unbelief. Earthly Utopias take the place of the heavenly Paradise. Everywhere, in our day, there is between social and religious questions a relation clear to the most careless eye, and this relation will become more pronounced with every generation. With certain nations, especially the occidental nations, society, when deprived of its religious foundation, has been able to find another, more or less uncertain, in science, in the progress of human well-being, in material interests; but it must be long before such a resource can offer itself to a country relatively poor, like Russia, and a people hardly yet civilized, like the Russians.

It is not a matter for wonder, considering certain phases in Russian life, certain of its ideas and traditions, that the revolutionary spirit, in its most radical form, should have penetrated so deeply all Russian thought, for religion has lost its ascendancy among entire classes of the population. Here, in the extreme east of Europe, the weakening of the religious faith has produced the same effects as in western countries, where the place left vacant by the Christian faith has been taken possession of by the schemes and the dreams of socialists, the promises of a celestial Jerusalem by visions of a humanitarian paradise.

It is a trite observation that, among modern nations, revolution acts like religion. To no country does this remark more truthfully apply than to Russia, for in no country has a revolutionary movement so assumed the aspect and the methods of a religious movement. The reason for this is that in Russia the shock has been sharp, the change rapid; the Russian heart has passed with a bound from the Christian to the revolutionary faith, and in its quick passage has brought to its conversion all a neophyte's

fervor. Moreover, the Russian soul has remained even more profoundly religious; for in its revolts and its denials it has kept, in spite of itself, the enthusiasms of its ancient faith, so that in embracing revolutionary principles it has merely, so to speak, changed its religion.

Such is the principal source of Russian nihilism. Never has the human soul, so often self-deceived, shown itself more deeply religious in the midst of its irreligion. It is in vain that they announce their atheism: nihilism, with many of its adepts, is but a phase of religion. This is why the pre-eminently religious sex, why woman, has taken so large a part in the Russian revolutionary movement. She obeys the summons of secret societies and socialistic missions as heretofore she obeyed the call of Christ and the apostles. Hurlled from the height of Christian aspirations, the Russian woman has sought refuge in humanitarian schemes, and has replaced the hope of resurrection by dreams of a social palingenesis, bringing to her new faith the same craving for the ideal, the same enthusiasm, the same desire for renouncement, the same ecstasy of sacrifice. The young man, also, has left study and work. Like the author of the "Imitation," he has discovered that there is but one science needful for man to know—the science of salvation; but one doctrine worthy of being taught—that which can rescue man from servitude and misery. Such is the new evangel; and if it must have its apostles and martyrs, the flower of the youth will dispute the honor of dying for it.

It is all in vain, however, that revolution makes of itself a sort of human religion, as fervent, as unquestionably accepted, as the ancient faith, and that it inspires the same enthusiastic devotion, the same abnegation: it cannot long resist the demon of violence. It is inevitable, by the working out of its own principles, that it should forsake moral suasion for brute force. Here it may not enter into rivalry with the ancient doctrines it presumes to supplant. Only the believer can say, before judge or exe-

cutioner, *Fiat voluntas tua*. Is he not sure that his day will come, and his reward? And yet how often has even the believer grown weary of waiting. How many religions have placed weapons in the wasted hands of fanatics. To some minds, indeed, fanaticism seems an essential component of religious exaltation. No movement, on this principle, has been so profoundly religious as nihilism. Its heroes, a Jeliabof, a Sophie Perovsky, have equaled in endurance the most fanatical fakir—and that with no God to look upon them, no Heaven to receive their souls.

Among the people—and not the peasant alone, but the villager, the artisan, the city merchant—the religious sentiment has preserved its ancient simplicity. Religion here gives that incontestable proof of life, fecundity; it is the mother of a numerous offspring, among them some sects so strange as to seem the monstrous progeny of past ages, and their number even it is difficult to fix. The mass of the people, apparently, have not yet emerged from that state of civilization wherein all conceptions spontaneously assume a religious form. In this respect, as in many others, they are contemporary with generations long since passed away. If there are countries in Europe where religion holds as large a place, there is none, perhaps, where its sway is so widespread. The unfertile soil, the harsh climate, have made ready its kingdom; the vicissitudes of history, the form of government, have established it; the educational conditions have sustained it.

When, in a village on the steppes, I see the green cupolas of a church towering above the peasants' low, black huts, it seems to me a symbol of the ancient sovereignty of religion over Russia. If it is asked how religion has maintained over the people and the people's life an ascendancy it has lost in so many of the countries of Europe, many reasons may be advanced. The first and the principal of these is the degree of civilization reached in the country, and, if the phrase may be allowed, the intellect-

age of the nation. This people, yet in its youth, notwithstanding its thousand years of history, has reached that period of adolescence over which the beliefs and traditions of a long childhood hold still almost undisputed sway. It has not yet been blighted by our arid scepticism. This accounts for the fact that the soul, beneath an apparently rough exterior, is often more gentle than with a people having more of the outward graces of civilization. Whatever the heart holds that is high or noble has not felt the withering touch of the spirit of negation, which brings no blessing to the poor and humble; for, in the descent from the wise few to the illiterate many, it degenerates into an inert and brutal materialism. This is only, it may be said, because Russia is behind the times. It is one of the reasons which everyone is at liberty to deplore or to rejoice over. What is certain is that it is a cause pregnant with effects. The Russian people breathe another atmosphere than ours, and it will be long before winds from the west will blow there.

The degree of civilization reached by its people is not the sole cause of the persistent predominance of religious inclinations in Russia; its history, its social and political condition, have had much to do with it. Life has been hard beneath the paternal scepter of the czars; and rare and precarious have been the pleasures this life has offered to a nation of serfs. Sustaining the heavy weight of one of the most marvelous social structures the Christian world has ever known, seeing nowhere on this earth a possibility of freedom, their longing eyes turned to the hereafter. There must be some kindly world, where they might find rest and refuge; and this religion offered them. Their faith not only consoles them, it enables them to triumph over their miseries. The more unbearable this life becomes, the more do they live in that other.

This historical influence has extended quietly till it has reached the cultured classes, the classes that, during this last century, have felt the touch of western scepticism.

They too have felt the heavy burden of history and of life. To this mainly is attributable their predisposition to melancholy, their early disenchantment with a civilization inadequate to their needs, their convulsive grasp, in the shipwreck of their old beliefs, at a new faith. To this cause also may be traced the inclination of so many of those journeying in the desert of Russian life, to pessimism, to mysticism, to nihilism, three dangerous pitfalls, side by side, into which so many weary souls have stumbled; and the pitiful fierce fluttering of a literature, believing in the midst of unbelief, guarding the memory of a vanished faith, and, powerless to rise, waving unavailing wings in an empty sky.

We of the West are accustomed to look to his race, to his Slav blood, for a solution of the Russian's religious instinct and his secret leaning to mysticism. When such an opinion is advanced, even in St. Petersburg or Moscow, it is, it seems to me, rather a simple statement of facts than an explanation.

In tracing to its source as a national characteristic this predisposition to mysticism, we must examine history on the one side, and nature on the other. If such research is not entirely without reward, the least misleading explanation is that which is afforded us by these two great factors of a people's character, history and climate, in other words, the moral and the physical surroundings.

The mysticism of the Russian seems to spring from the soil and descend from the skies. On his vast plains, here treeless, there covered with a scanty forest growth, man feels his insignificance without realizing the grandeur of nature. He feels his own weakness and poverty without being forced to acknowledge the power and the abounding wealth of nature. The Russian country inclines the soul to melancholy, to meditation, and consequently to mysticism. Seen from above, from the summit of the steep cliffs or the wooded hills that border the Dnieper, the Don, or the Volga, from the towers of Kief

or the walls of Nijni, the wide Russian plains give the sensation of infinity that we feel elsewhere beside the sea. The landscape, all in horizontal lines, yields the principal place to the sky. Sometimes the sky occupies the entire picture; the earth, on account of its unvarying flatness, is effaced, and the eyes of those who gaze thereon, finding nothing to arrest them, in more senses than one are lost in the clouds. The scattered forests of Central and Northern Russia produce, in a different way, the same impression. The eye, following the blackened needles of the pines or the frozen twigs of the aspens and birches, is irresistibly drawn to the skies. Like the night, the forest is everywhere mysterious. Dreams dwell in its peopled solitude; its silence is a confused, uncanny rustling, that fills the soul with unrelieved solemnity; and when the arctic wind sweeps through them, you may hear in these forests of the north such sighs and moans as when waves break on the sand.

To these impressions must be added those that are caused by the seasons, which nowhere else in Europe show such violent contrasts; and these contrasts, it would seem, might explain much that is exaggerated in Russian thought and character, and the perpetual antitheses of the Russian soul, in turn resigned, lethargic, and feverishly excited, and often at once realistic and mystic, practical and dreamy, brutally coarse and ideally fine, always ready to pass from one extreme to the other, and always with the sincerity of conviction, always with eager enthusiasm, with strange outbursts and transports of passion. Only this lack of equilibrium, this disproportion of cause and effect, in the people and in the climate, can make comprehensible its frenzies of mysticism, its aspiring flights, its hopeless downfalls, thrust violently back to earth from heaven.

Fatalism is one of the most marked traits of the national character. General among the peasants, it is also found in classes of men and in individuals whose educa-

tion would seem to render such an attitude impossible. The Russian mind is impregnated with it. To this is attributed its boldness as well as its resignation, its revolts and its submission, its audacity and its despair, its feverish activity and its apathetic languor, its doubts no less than its devotion. If there is anything oriental about the Russian, it is this. Mysticism is often allied with his fatalism—a mysticism unavowed, uncomprehended, often indignantly denied. That it should be here in Russia, of all places on our globe, is most strange. However, it hovers like a subtle vapor about all the land, and if every dweller there has not felt its power, it has penetrated many of the finer, the more fervent, or the weaker souls. Its tendency is directly opposite what we should imagine it to be—its influence grows deeper and stronger with years: the youth can combat it more successfully than the grown man. Mysticism, with many Russians, is a passion of manhood; some who at twenty-five seem untouched by it, succumb to it at fifty. Gogol and Tolstoi are examples of this.

This sort of evolution or mystical conversion takes place elsewhere. In Russia it is not simply to be explained by the ever-recurring disenchantments of human life, but also by the fatal deceptions inherent in Russian life. The narrow limits within which intellectual activity is confined beneath an autocratic régime; the barriers which everywhere oppose themselves to individual progress; the dumb quiescence to which, sooner or later, every independent spirit is condemned; the ill-dissimulated emptiness of official life, and the too-apparent emptiness of any life not devoted to the service of the state—in a word, the fruitlessness of all thought, the futility of all endeavor, that are felt more deeply the older one grows, often plunge into meditation and mysticism those strong souls that, in any other country, would be in the full tide of action. Possibly the exactions of the climate contribute to this result, for the physical powers succumb as early as

the mental. Under Russian skies, a man grows quickly old.

For the rest, Russian mysticism is in accord with the Russian soil and the Russian people; there is always about it a touch of the terrible. Never expect of it the exquisite poetical delicacy of that gentle enthusiast, Francis d'Assisi, whose charity embraced all things that have life, who spoke of the birds about him as "my sisters the swallows." Perhaps this is only possible beneath soft Umbrian skies or in the verdant valleys of Galilee. It is softened here with no Franciscan tenderness, and yet it is but rarely that it shows a trace of the harsh asceticism of the orient; if, like the latter, it is often strange, heavy, prosaic, it is usually less fierce, less sombre. It rarely departs altogether from the region of the real; it has a care for the practical in its wildest conceptions. It seldom soars higher than the mountain-tops; the rarified air beyond them, the empty ether of infinite space, is not congenial to these children of the steppes. In his boldest flights a Russian seldom loses sight of the earth; with the strangest reveries or the wildest Utopian dreams he will often associate calculations of the most utilitarian character.

This is because the basis of the Russian character, still essentially, if unconsciously, realistic, is a latent positivism that penetrates everything that covers or conceals it. It is not alone in the literature of Russia that we find the combination of what western nations call realism and idealism, positivism and mysticism; it is part of the life, the soul, the character, of a Russian. It is this union of opposing traits that makes the national character, that gives to it an element of the unexpected, a restless, undefinable something, and makes it an alluring study by keeping discoveries and enigmas always in reserve.—ANATOLE LEROY BEAULIEU in *Revue des Deux Mondes*.

Translated by Cecile Bronn.

The Southern Social Problem.

What of the negro? This is the question which confronts all students of social problems, who consider the bearing of the late election on the future of the South. The answer of the average philanthropist is, "Educate him," and the pessimistic reply of the average Bourbon is a denial of the possibility of accomplishing this. Laying aside the question whether the condition of the Southern colored man is in any degree worse than would be that of any other race-type handicapped by ages of savage ancestry and generations of bondage, it may fairly be doubted whether mere education, in the conventional sense of the word, will solve the difficulty. The change in a man's condition which raises him from a low to a high estate is really education in the etymological sense of that word,—it leads out the best that is in him; but general acceptance must govern our use of words, and the point we wish to make first is that mere education does not educate the colored man, or at least, has not so far educated him. It has made the attempt, which is quite another thing. Few people in the northern or western states realize how thorough has been this attempt. The Rev. Dr. A. E. Dickinson, editor of the *Religious Herald*, a Baptist paper published at Richmond, Virginia, astonished some of his denominational brethren in Boston several years ago by telling them that the whites of the South, since the civil war, had contributed not less than \$75,000,000 for the education of the colored people. This amount has since been increased by several millions. Yet, such is the force of the reactionary tendency of that environment to which, after availing themselves of the educational advantages offered them, the educated few of the colored race must return, that they do not perceptibly elevate the standard of living which obtains among their fellow Afro-Americans.

They are but as a clear drop in a muddy bucket. In other words, the *vis inertiae* of the existing standard of living is so powerful that the education which the colored people now receive makes no appreciable headway against it. This *vis inertiae* is something tremendous, even incalculable. It must be attacked directly—a charge must be made upon its center. We believe that it must be affirmed as a principle, to be held up and kept constantly in view, that the standard of living of the Southern colored people must be improved. The process of improvement will be slow enough and indirect enough at best. Let us at least get the principle as clearly and directly before our minds as possible, and let us recognize at once the fact that merely learning to read and to write is as inadequate to the solution of the problem as is the application of the mathematics of two dimensions of space to the solution of problems in three dimensions.

What is now the Southern negro's average standard of life? How does he live and how does he want to live? The latter question is especially important, but in this case it cannot take precedence, for the gravest feature of the difficulty is that at present nine-tenths of the colored people are only too well satisfied, and are only anxious to live at the cost of the least work possible.

The abolition of slavery not only deprived the rich men of the South of one-half their property; it crippled the other half. Their property before the civil war consisted of land to be cultivated, and slaves to cultivate it. Capital was comparatively unessential where land was abundant and labor sufficient to produce all necessary food and clothing. Having lost all his slaves, the Southern proprietor was left "land poor," that is, with more land than he could cultivate, for he had neither slaves, nor capital in another form, with which to make it productive. As an inevitable result of this condition of things, there was and is plenty of land in the South for sale, good, fertile land, at figures per acre which would tax the credulity of dwellers on the

blizzard-whitened prairies of the far northwest. It is easy to see, moreover, that this condition made necessary an adjustment of the relation between ex-master and ex-slave. The ex-master said to the ex-slave: "You know how to raise my cotton and tobacco. I have plenty of land, but no money. I can hire you and pay you in land, and you can go to my woods and cut the logs you need to build a house on your land." So the negro's little tract of land was marked off, and he paid for it in work, and built himself a log cabin, and raised a small crop of corn or tobacco or cotton for himself.

Thus the first step in the social evolution of the freedman was taken. There has hardly been any second step. Neither freedom nor land ownership has brought the negro millennium. As soon as his little farm was cleared and paid for, and the log-house finished and the crops started, the owner, having attained the summit of his conscious desires, lapsed into an unambitious content like the sunny jollity of his former condition of plantation slavery. In most instances his home is just such a home as he had in time of slavery. Where the standard of civilization among the whites is unusually high, the colored people have frame houses with carpeted floors. As a rule, however, the colored man is apparently a believer in Mr. Henry George's doctrine that labor is a curse, and if he can make enough money by working for one or two days to maintain him for the rest of the week, he desires nothing better.

His white neighbors, while they are willing, and perhaps anxious, to teach him to read and to write, and to promote his moral and religious education, to the end that he will learn to avoid the crimes of dishonesty, of arson and of violence, prefer that he shall "know his place," and keep it. In other words, their theory of negro education is chiefly negative and self-preservative in character. Any positive method they dread, vaguely fearing that in some way, which nobody can quite explain, it is going to result

in recognition of the negro as a social equal, and against that idea the white face of the South is set like a flint.

This fear of the negro's attainment of social equality exists because it is social equality that, in his ignorance, he wants as much as he wants anything. Or rather, social superiority, for he is actually disposed to believe that certain political changes will result in turning the South bottom upward socially. An intelligent colored woman in Virginia, for example, expected, as a result of Republican success in the Presidential election of 1888, that she would move into the house of the white family for whom she cooked and washed, while they would move into her frame cabin and serve her as she had served them.

Just here, however, lies the possibility of influencing the colored race toward a higher level of civilization. Not in their crude aspiration for social recognition by their white neighbors, for with a higher level of civilization will come the capacity to understand the purely voluntary character of such recognition on the part of the recognizers; but in the susceptibility of the colored race to the creation of desire by environment. The colored man is pre-eminently an imitative creature. When he sees the more pleasant and desirable life of others, he desires to imitate their mode of living, even when they are people whom his traditions have taught him to regard as his aristocratic and oligarchic superiors, between whom and himself, tradition and experience tell him, there is a great gulf fixed.

Now, if this is true notwithstanding the comparatively simple style of living to which the Southern white people have been reduced by the financial misfortunes entailed by abolition and reconstruction, and even where the whites are few and the negroes many in number, as in the "black belts" of several Southern States, would not the operation of this factor for the creation of desire be extended beyond computation, beyond imagination even, if the South were filled with white industrial laborers, living up to that standard of civilization which they illustrate in the manu-

facturing towns of Massachusetts, New York, New Jersey, and Pennsylvania?

In reality the two great issues of the late campaign are one. The Southern question, represented in that campaign by the ghost of the dead Force Bill, is to be settled by the tariff question; by such preservation of our industrial conditions that the material development which began in the South a few years ago, and was interrupted by the unwise attacks on the tariff growing out of the protectionist defeat in the Congressional election of 1890, may be resumed and continued with a steady and healthy expansion. The surprising thing, under such circumstances, is the blind willingness of the South's representatives in Congress to attack the principle of protective legislation. Protection has been extending its benefits to the North and the West for thirty years, and just as the time of the South comes to avail of these benefits, its public men range themselves in opposition to this principle, which has led prosperity to knock at the gates of its natural treasure-houses of ore and coal and lumber and limestone. The opening of those gates would be the signal for the appearance of a large industrial white population, who would not only cause the race question, viewed solely as a race question, to disappear by the overpowering force of numbers, but would bring about the solution of attendant social questions. The sectional statesmanship that looks only to the past, with its bitter memories of civil strife, declaring, "The South does not want protection, for it is the North alone that protection has always benefited," is guilty of grave wrong. No other part of the country can benefit so largely as can the South from that degree of protection which represents the wages of labor, and the standard of living attained by the laborer. Where the rest of the country has one argument for it, the South has two; for the existence of a grave social problem makes it doubly important that that element of the Southern population which has become a source of apprehension shall be educated, not merely by precept and

preceptors, but by examples and exemplars; by the presence of an industrial population which would make the colored people's environment a continual school of civilization.

In the South, as elsewhere, a high standard of living among the industrial population would tend to make permanent that industrial prosperity which, without such a standard of common life, could be only temporary. For the secret of permanent and independent industrial prosperity is the presence of that kind of home market which consists of the civilized wants and the consuming capacity of the mass of the people, the home people. For the capitalist manufacturer this home market is possible to just that point that the laborer's wages can buy its products. This principle of protection to capital through protection to labor was recognized by the Democratic platform of 1884, and was the keynote of the tariff policy of the late Samuel J. Randall. It has been represented since his death by the late Senator Barbour, of Virginia, and by Senator Gorman, of Maryland. Still, the South hardly knows it now, although in Mr. Randall's time it had not been vindicated, as it since has been, by the South's own experience.

The iron boom which struck the South several years ago, making blast furnaces spring up like mushrooms, and turning corn fields into corner lots and factory sites, collapsed with a thud which brought stringency and disaster to many a Southern household. There was not a ton more iron produced than the South ought to produce; but more iron was produced than the South could herself consume. The trouble was that she did not consume it. She consigned it in bulk to outside markets, sold it North and West, all the time buying from the North and the West her supplies of manufactured iron goods. The free-trade ideas of the Calhoun school of statesmanship were still so powerful in the South that it seemed to her people the right and the natural thing to sell iron raw material to the North and to buy back the manufactured goods; to sell raw cotton to England, and depend on England for cotton

goods. The possibility of a home market created by the civilized wants and desires of a large industrial population, white and colored, supplied by an adequate number of manufacturing plants, the product of one being the raw material of the next, with American wages and the social well-being of the laborer as the foundation of its prosperity, seems hardly to have dawned on the southwestern bank of the Potomac. On the contrary, if you speak to a Southern statesman about the tariff, he will say, "We of the South need no tariff. We have such cheap labor that we can get along with free trade." But it is written plainly on the face of the South, in an alphabet whose letters are dead towns that were booming on paper three years ago, that cheap labor is a delusion and a snare. For labor, dearer because it lived better, would be dearer because it consumed more. Such labor would create a home market for goods; cheap labor is a market for nothing but the commonest kind of food and clothing.

When the colored man of the South sees living near him white industrial wage-workers, with carpets on their floors, book-cases and parlor organs on the carpets, framed pictures on the walls, and flower gardens about their houses, when he understands that these things belong to people who, like himself, work with their hands for a living, he will wake up. He will want to live that kind of a living; and as he progresses toward a realization of that ideal, he will cease to care for other social recognition than that which is naturally within his reach. He will make his own society, and will understand that it is better to enjoy the refinements of life in his own home than to seek them in the home of any other.

KEMPER BOCOCK.

The Individual and the State.

It is the universal testimony of history that freedom of thought and action, far from being the prerogative of a few, has become a continually augmenting characteristic of an ever-increasing percentage of the human family. Humanity's line of march has been from monarchy to a democracy, and the sovereignty of the state has receded just in proportion as the sovereignty of the individual has advanced. The function of the individual is to become "a law unto himself," and in accordance with that law to determine his industrial, political and social environment, the character of his religion and the quality of his culture. The function of the state is to supply the individual with opportunities for self-development, to create a social soil pregnant with possibilities for individual advancement, and to withdraw its paternal authority just as fast as the individual ceases to need it. The history of man has been an ever-enlarging and intensifying protest against church authority and state control. The state is not an end in itself, it is simply a means for maximizing individuality; it exists for the individual. The state was made for man, not man for the state. All human institutions are the servants of human wants. Directly they are the creations of a few; indirectly they are the benefactors of the many. The state originated from the fact that men were not created free and equal, but they perceived that by association as human beings, by consociation as political factors, and by co-operation as industrial factors, all their interests as individuals could be better subserved. Thus the state came into existence, and only in so far as it serves the interests of the individual has it any historical significance or any political function whatever.

In times past man has been taught to love, respect and obey almost everything outside of himself, and yet, by

some unerring instinct, he has been gradually learning to be true to the divinity within him. And yet, while all the history of the past has shown this tendency toward individualism and a gradual surrender on the part of the state of its controlling function, still we are assured by the socialist that the individual will thrive better if the current of human progress thus far be turned backward, and the pointers on the dial plate of advancing civilization be made to move in an opposite direction. As well pass a law that the sun shall stand still or the earth revolve in a counter direction, as thus to ignore and reject the toil-earned, blood-bought, evolutionary inheritance of the past.

And yet no movement so widespread as socialism can be without due significance. That millions of human beings should in this nineteenth century rise up as one man, with determination written on their foreheads, demanding in the name of a common humanity the abrogation of industrial despotism and the inauguration of industrial, social and political conditions more in keeping with the colossal productive capacity of the factory system, and the equally gigantic proportions of concentrated capital, is a fact which deserves most serious consideration. The demand is both reasonable and just; it is, moreover, imperative.

The heart of the movement is sound; but it is only as a sentiment that socialism is sound, and sentiment is no uncommon quality; it is shared by other millions of men equally determined, equally enthusiastic, equally endowed with the gift of persuasive reason. One thing is desired by all reformers in common, viz., the amelioration of mankind. Indeed, the spirit of reform has electrified all classes of men and women. The socialistic movement is then but a part of the social movement of the nineteenth century toward a higher degree of individuality and a higher plane of civilization. Consequently, any adequate solution of the social problem must show how the interests of all classes combined can be economically and equitably

secured. No scheme that would elevate one class at the expense of another can be regarded as anything but suicidal. On the other hand, every scheme for substituting state control for individual enterprise would result in the enervation of all industries and in the apathy of the individual. It would stop the beating of the heart of our industrial system. Church and state are simply necessary limitations as far as their controlling functions are concerned, and it is for the interest of all classes that these should be withdrawn just as fast as individuals become intelligent enough to think their own thoughts and manage their own affairs, while the regulative function of the state may simply keep pace with the increasing complexity of individual enterprise.

But individual enterprise means competition, and competition is regarded by many as an unmitigated evil. It is thought that socialism, by substituting state control for individual management, would do away with competition. But to attempt to abolish competition would be to attempt to abolish human nature. Absurdity is written on the face of any such proposition for the betterment of mankind. It is quite true that the evils connected with competition, the conditions under which competition often takes place, can and must be speedily attacked as detrimental to the interests of the individual and of society, but to abolish economic competition upon a plane in which there is approximate equality between the competing units would be to arrest the process of production, and to stereotype the poverty which now exists, thus retarding that "consummation so devoutly to be wished"—the production of more wealth and its general distribution through an increase in wages.

State control would weaken the sinews of industrial activity, and it should be laid down as a cardinal doctrine in statesmanship that all forms of doing for the individual are to be superseded by such methods as shall enable the individual to do for himself. The leading feature of modern reform is industrial because the world is beginning to

see that church charity and state legislation, or in other words that religious and political reformations alone are inadequate to cope with that monster evil—the poverty of the masses. The nineteenth century will go down to posterity as the era of industrial reformation. If the vast sums thus far spent in wasteful charity and in unnecessary legislation had been expended in enabling the individual to do for himself, poverty by this time would have become a thing of the past. “It would have spread its dragon wings” in flight, and the civilized world “would see it no more forever.” Past ages have been characterized by specific reforms, but the reform movement of our day is generic in character, industrial reform taking the lead and being regarded as the necessary precursor of any permanent or substantial reform of any other kind. Poverty is the greatest of social infirmities, but it is better to heal the infirmity than to supply it with the crutches of charity or to stereotype it by state control and thus fix it as an organic member of the body politic.

And yet we are told that socialism is “the road to social peace.” That will depend upon what kind of a road it proposes to build and whether the public will patronize this socialistic thoroughfare. As already stated, socialism as a sentiment, as a reaction against the narrow-minded, anti-social, capitalistic-sided economy of the past, is one of the promising signs of the times. In so far as it seeks to improve the condition of the individual by closer industrial co-operation on the part of labor, by greater social commingling and educational opportunities, it is an unimpeachable movement in the right direction. But these are rather the indirect results of socialism. Its open line of policy, its industrial method, instead of leading to industrial peace, by crippling the whole industrial system would lower wages, rent, interest and profit, arrest the economic distribution of wealth and the march of human progress. Why? Because, industrially, it proposes abolition instead of evolution,—the abolition of the present

capitalistic mode of production; the abolition of rent, interest and profits; the abolition of private ownership of land; the abolition of individual ownership of the instruments of production; the abolition of competition—in order to abolish poverty, injustice and crime, which are only incidental and temporary evils.

Now, any scheme for the redemption of man based upon abolishing the results of the work of all past ages would remove its foundation from the civilization thus far attained and (if it could be carried to its ultimate consequences) would sink us to the pit whence civilization was first digged. Politically it would be a blind leader of the blind, and we should all fall back into the ditch together, because by adding to the regulative function of the state, already so unequal to its duties and industrial function, it would choke the machinery of government and reduce individual enterprise to the minimum. Thus the state would become a sort of capitalistic dictator over a commonwealth of industrial impotency. It would take from the individual in order to give to the state, as though the state were a separate entity, as though the state included all the individuals in it but all the individuals in the state did not make up the state, which is quite a Marxian mode of reasoning. In other words, the socialists proceed upon the assumption that in the state there is an added increment of honesty, industry and intelligence, but where it comes from no one knows, unless possibly from the exploitation of some other planet where a better race of men exist.

The function of the state is regulative, not productive; its duty is to facilitate industrial enterprise and co-operation, to protect industrial interests, to augment individual participation in the settlement of all industrial, social and political measures, to maximize the realm of individual action and to minimize its own. Possibly the socialistic error as to state control has arisen from the fact that the regulative function of the state has indeed increased to

meet increased demands resulting from multiplication and diversification of industries, because the state has more interests to protect, and consequently that the goal of socialism was state control. In the near future, however, they will see that they have reckoned without their host, and that the individual will object to being sacrificed to the god of state.

WILLIAM E. HART.

The function of state or government is something more than merely regulative. The idea that the state should do nothing but regulate the conduct of citizens and protect persons and property is the bane of the *laissez faire* doctrine. It reduces government to a mere negation and logically is nothing itself. The duties of government are as positive as those of individuals, only they are different. The true functions of government are educational, protective and judiciary. It is as much the function of government to insist upon the education of its citizens as it is to furnish police to protect them from assault; and it is no less its duty to protect them from injurious industrial and social conditions than it is to protect them from military invasion. The pursuit of industrial enterprise properly belongs to individuals, because they can do it much better than any government; but to furnish the opportunity for industrial development and social advance is just as clearly the function of the state, because in that lies the civilization of the nation.—[ED.]

Economics for the Young.

Economics is housekeeping. Falling into exclusive scientific usage, it is now housekeeping on a national scale. The community, even remotely, was considered an enlarged family and the state a great household. The wealth of the whole was the wealth of its parts. Massachusetts has it exactly in her constitutional name of "commonwealth." The state, old and new, was and is but the common wealth of all its families.

The science of wealth, the science of making a lawful living, the science of economics, and the science of managing the household, national and individual, are expressions equivalent and practically identical. With this as the only proper fulcrum of the social and commercial lever of the age, it is hardly less than a marvel that the curriculum of our public schools still refuses it educative rank. One of the most impressive spectacles of this century was recently witnessed in the streets of the metropolis when thirty thousand American youth, in orderly march, were reviewed by the wage-earning classes of the nation. It was the coming generation actually in sight. Each one of them, released from school regime, is destined to pass under those severely operative principles which govern wealth, and be a seeker for the rewards of toil; while upon each should rest the mandate of the profoundly involved social fabric that those rewards should be earned in lawful modes. The seed of the field advances to just increase not only without injuring its neighbor, but to that neighbor's economic welfare; none the less should the nation's youth, passing from the schoolroom into necessary servitude to the social organization, be fitted for prosperous careers under high loyalty to the laws which govern common wealth. Yet how many upon that threshold can intelligently read the business page of a newspaper?

How many American youth can tell what wealth is? We are in the world. A thousand needs press on every side. To gratify those needs we appropriate this and that. What we appropriate is wealth. The rich are those who have much, the poor have little. To get enough for reasonable gratification constitutes the struggle of life. Success is victory in the contest. This field of endeavor is manifold and noble, where true heroism alone should bear the palm. The age tends to make it a scramble under mob-law, out of which is emerging an immoral social organization.

Success has its determinate laws, which may be simplified into three. First, *industry*, by which value is produced and the right of possession acquired. Obstruct it by indolence, sickness, old age, and the armed warrior of poverty will stalk in. But industry even of the best sort may lamentably fail. The hardest toil may end in pauperism. The current must be reinforced by a confluent *second* law, which is that of *skill*. This avoids the waste of misdirected labor. The material for which a dollar is paid can only be increased in value, and thus be a means of wealth, by intelligence, and drill of nerve and muscle. But even so, the toiler may walk on straight into pauperism, and will do so if the earned increase is wasted by wrongful modes of life. To save him and crown his toil with reward, a *third* law must set in, viz., *frugality*, by which is meant not hoarding but saving for wise and necessary use. These are the primary rules of success, and serve to indicate what housekeeping is in every scale, great and small.

It is because of the fundamental character of these laws that the wealth-getting of the day is such a disturbing force. The universe and man are under law. Whatever is obtained should be by lawful methods. Lawlessness inevitably produces disorganization. Society is vexed and threatened because the stars are out of their courses, natural law invaded, and a generation of wealth-seekers is upon it, untaught and undrilled in orderly economics. In-

struction of the millions of American youth in organic law is an obligation to which there is still too great an educational insensibility. Neither religion nor common sense forbids the accumulation of wealth. Wealth will and must be pursued. It is a bulwark which should be built about every life. The young should be taught in the manner of its construction.

Half of all existing poverty is due to inadequate preparation for service in the field of economics. To win emancipation from legal servitude and direct gratified needs into higher uses will be to illustrate that higher civilization which is but the movement of the classes of humanity in those privileges and attainments which result from a better organization. It is the machine going together again, rightly articulated even in its most refined parts. But let us narrow this word "economy" down to popular usage. A maxim on the walls of the school and the bread-plates of the boarding-house is "Waste not, want not." Success is an aggregation of small things. A mass is the sum total of a problem in addition. All legitimate advance is like Lincoln's "pegging on" to Richmond. A dollar is the continual inching on of cents. The Bank of England reckons all fractions of pennies in its own favor and has accumulated \$716,360.

By such a process any schoolboy can own a house at forty years of age. Though now obvious and familiar, it nevertheless took the world 5,816 years to discover the power of the penny. Savings institutions are only of yesterday as history flies. We hear much of the relative increase of poverty in current days, but it is absolutely without an historical credential. Statesmen are now grappling with Poor Laws as they were in England a hundred years ago. Then no man could answer the question, "How ameliorate poverty?" Taxation of the nobility was intolerable. Benevolence both from private and public treasuries was as fagots to the flames. Mendicity and pauperism increased in exact ratio with schemes for their relief. The

poor question was a knot of Gordian complexity. And when this century opened the issue was unsolved, and a deep, dark frown rested upon the brow of the nations.

Had the existence of the benighted savage hordes of an unknown world been suggested to Queen Isabella, she, and not Columbus, would have been the discoverer of these far-away shores and be canonized by the glory of these Columbian days. Whenever possible the heart leads the head. To England's parliamentary cry the sympathy of intelligent womanhood gave final answer. Mrs. Priscilla Wakefield advanced the principle of self-help, and incorporated it into a "Friendly Society for the Benefit of Women and Children" to loan funds and receive savings. Almost simultaneously, as is often the case when the world is ripe for an idea, a similar scheme arose in the minds of several clergymen, and soon the laboring classes in many English and Scottish parishes had banks of savings, resulting in the organization of the Edinburgh Savings Bank. The relief, however, though real, was local and circumscribed. Like the small-pox, poverty and idleness ravaged the continent. It came across the seas to America in every ship touching our newly-found shores, and menaced us as an ominous thunder-cloud. Governor Clinton feared that it would decrease the population, and the value of property in New York City, by the tremendous burdens it imposed. Unable to advance on the political wisdom of the old world, we acted on its counsel by copying its poor laws and reaped its experience. The cloud gathered deeper and darker. Finally came the year 1816 and a sun-burst. Abroad, provident habits, under the inspiration of Mrs. Wakefield, began to spread everywhere among the people. The tree of self-help and independence yielded fruits whose taste was sweet to the masses. The news reached New York through friendly correspondence, and though it was inauspicious times for new enterprises, though the wolf was at the door of many an American home, and crops were shortened by early and late frosts,

still it was the birth year of national economy. New York, Boston, Baltimore and Philadelphia legislated into existence those noble and philanthropic savings institutions which still exist, and which with more than six hundred others have gathered into safe-keeping scarcely less than 2,000 millions of the dollars of the toilers of the land. As a consequence there has been a mighty civil uplift, while our government and those of other lands have breathed more easily by having property released from enormous taxation.

It is approximately true that seventy-five per cent. of European prosperity is due to the introduction of the scheme of self-help among the hitherto improvident classes. Emigration is not, as a rule, from the ranks of the prosperous. France, England and Switzerland are not knocking at Castle Garden. German emigrants outnumber Swiss and French combined as ten to one. Some years ago France had to pay the Prussian war indemnity, amounting to \$1,000,000,000. In this country the financial appeal is not made to outlying agricultural districts, but there those districts advanced a large part of the necessary funds. The explanation exhibits the value of the subject under discussion. For nearly two generations the youth of France have been reared in habits of industry and frugality, even the schools assisting by a system of school banking, until the masses hold the wealth of the republic and are contented because prosperous. The proper distribution of wealth is contingent solely on the principles of economic law. Great congestion of value, as in the case of a few American millionaires, is legally impossible in the realm whereof we are speaking. And wherever the equation of distribution is thrown out of gear a discontented movement of population results and emigration sets in. It would set in here in our own land were there another inviting world beyond an unknown western horizon.

Another illustration of the beneficent effect of loyalty to the fundamental principles named is historically found in that republic uprising beneath the southern cross—

Brazil. Last to hear the voice first raised in England when the old century turned into the new, that government a while ago abolished slavery. How? By one wide sweep of imperious law? No. Brazil looked northward, and in the United States found a precedent to be followed only at her peril. A slave cannot wisely be confronted with freedom by striking off his shackles in an instant.

That Abraham Lincoln did not do as well as Rio Branco was neither his fault nor is it now said to the prejudice of his fame. National measures must be adjusted to historical crises. But beyond question Branco's great law of 1871 was in advance of any hitherto known. By it all children of slave parentage from and after its enactment were free. The path to liberty for those then in bondage required such effort as would display fitness for the reward when attained. To offset the tendency of the enslaved toward an unthrifty life, each slave was permitted for a certain number of hours every week to work for himself. His wages were placed to his credit in a savings bank. When the deposit reached a certain sum the state added sufficient to ransom him. Good as was this law, in 1885 a better was passed. The government set aside an emancipation fund. Every farm-working slave could loan from that fund enough to buy his liberty on condition that he worked for his owner for the term of five years. Food and clothing were provided and wages paid according to work performed, one-half being saved to repay the loan for his freedom. Thus in seven years, without massacre or war or ruin, 12,000,000 could be freed, everyone coming forth trained to self-dependence and the laws of thrift.

Likewise is the school savings bank system, now operative in fifty-two American cities, a development responding to a great need in social economy. Seventy-five thousand pupils in two hundred and eighty-five schools are depositors of \$300,000. Not that the system contemplates the children's money alone, except as an object-lesson in thrift, economy, and the laws of a prosperous career.

It provides another lever for the inculcation of provident habits, for the lessening of temptations to vice, for impressing upon youthful minds the value and proper use of money, for awakening a spirit of self-help and independence, for the application of the highest principles of morality to the use of resources, for the enthronement of frugality among the virtues, and for classing among the educative arts that disciplinary instruction which is an imperative equipment for practical life.

All reform is but an emancipation which must continue yet for a year and a day. Education that does not adjust to principles operating now, yet old as Genesis, is inadequate. The diploma which transforms our nation's youth from pupils into bread-winners is now no guarantee that they can draw a bank check. Weigh the common school at its full value, yet there can never flourish a high *commonwealth* without careful instruction in common wealth widespread among its people.

J. S. KELSEY.

We entirely agree with Mr. Kelsey that the great need of our time is a better knowledge of economics. He is right in demanding that economics be taught to the young as a part of our system of popular education, but not the kind of economics he appears to have in mind. He evidently thinks of economics as the science of saving crumbs, and imagines that the poverty of the poor is due mainly to their wastefulness, and the affluence of the rich to their savings. This is a very popular but very fallacious notion. The poverty of the poor is not due to the largeness of their waste but to the smallness of their wants. Nor is the wealth of the rich acquired by the saving of fractions. A millionaire could never have arisen from such a progress. The secret of national prosperity is not in saving wealth but in using it. America is not richer and more advanced than Russia because our people save more than Russians, but because they consume more. True,

French peasants have more francs in their stockings than have Parisian laborers, but they have also more bare feet. It is more economic to spend pennies on stockings than to hoard them in stockings. No republic is safe whose peasants go barefooted. Nor could anything be further from the mark than the assertion that "seventy-five per cent. of European prosperity is due to the introduction of the scheme of self-help among the hitherto improvident classes." It is doubtful if all the gains to workingmen from such means are equal to a rise of two per cent. in wages. Great improvements have never come to society through parsimonious methods of consumption, but always through improvements in production. Capital has done more for civilization in making wealth cheap and abundant in a single generation than has been accomplished since the dawn of our era by general parsimony.

The notion that the essence of economics is small consumption is a doctrine that the rich have always sought to impress upon the poor. It is to correct the fallacy of this teaching that a wider knowledge of economic science among the people is so necessary.

"Economics for the Young" is indeed the great need of our time, but not the economics of abstinence. The economics that our people need to learn are the economics of progressive society; the science of how to produce wealth the most cheaply, not how to use it most sparingly; how to abolish poverty, not how to make it endurable. True economics will show that cheap and abundant production can be secured only in connection with large and varied consumption. No nation that consumed little ever produced much, or produced cheaply. A general appreciation of this fact would do much towards laying the foundation for a popular understanding of economic science.—[ED.]

The Corner Stone of Social Strife.

It is indeed astonishing to note how everything beneath the heavens—and in the heavens themselves for that matter—is governed by an absolute and clearly defined natural law. One might well think, that if there is anything which is absolutely unstable and ungoverned, if there is anything that is entirely dependent upon mere whim and fancy, if there is anything whose corner stone is built of quicksand and whose foundation rests upon mire, that thing is politics. Yet a little reflection is sufficient to demonstrate that all political warfare and social strife is ruled by as absolute and rigid a law of nature as the principle of gravitation.

From the very earliest periods of man's social career we find that public opinion has been divided upon one question—a question which caused two great political parties to spring into existence during the early days of Rome's history, and which is the only cause of there being at present two great divisions of popular thought in our country, and, indeed, throughout the world. For the principle represented by the patrician of Rome is identical to that upon which our Republican party is founded, while the idea for which the plebeian fought is to-day championed by the Democracy, or more fully, by the People's party. This great and fundamental cause of all social strife is the principle of concentration or centralization of power, as opposed to the idea of expansion or decentralization of authority. The former, if carried to the extreme limit, becomes absolute despotism, while the latter ends in anarchy. Centralization is, beyond a doubt, the affirmative side of the question. It is the real and active issue, while the opposite is simply the negative side. Centralization is a result; it can be accomplished even when pushed to its extremity, while decentralization is only a foil; the anarchist destroys but does not pretend to create; he is simply an objective.

The extreme of centralization, as we have said, is despotism. Now, despotism has existed and does exist to-day. But how could anarchy be realized? Anarchy means absolute and complete individual independence and isolation. For, if one person has the slightest relation with another person his actions must to some extent be regulated or governed by the effect they may have upon the second individual. Thus all government is simply the regulation of men's actions in regard to their effect upon others. Anarchy means no government, and therefore it means complete individual isolation. It means that the individual shall labor only sufficiently for his own existence; that in one locality he shall eat grass and wear garments of leaves, while in another he must live upon shellfish and wear next to nothing. It means more than all this, for it means the extinction of the human race. It is not and cannot be a reality at all. It is for this reason that man has always leaned toward the real principle, and that every social struggle has ended in the ultimate triumph of centralization, though of course when it has been carried beyond a just and safe limit it has provoked assault which has forced a modification and return to a more nearly equal balance. Thus we notice that the great struggle which shook France and all Europe to the foundation was commenced because the great social principle had been carried to an extreme; yet the opposite force in its turn pulled the social pendulum far beyond the point of equity, and the necessary consequence was that it swung back far over to the centralization side, carrying Napoleon almost to its former limit, fell back again, and has now settled over the true mark.

Again, we notice that although Charles the First managed to haul the weight far up the centralist arc, it at length slipped from his grasp and the opposite swing carried away his head. But again we see the resemblance which this issue bears to a pendulum when we note that it swung the Protector far up toward the point reached by the King.

England probably presents to view the most stable government ever devised by man, and it is because she began her existence at the extreme of the true principle and has gradually worked down toward decentralization in easy, almost imperceptible stages, and in all likelihood is still descending.

Additional evidence in support of the view that centralization presents the affirmative side of the question is forthcoming in the fact that the centralist party has always been composed of the more intelligent portion of the body politic; and furthermore, we notice that the centralists do the most to prevent their principle from being carried to an extreme. They are aware that while government is necessary it cannot accomplish everything; that as we must rule ourselves to a great extent, not by the laws of commonwealth, but by our own wills, so, in respect to the locality or town in which we live, while its relation with outsiders must be regulated by the state or national government in which the outsider is also represented, the affairs affecting the town alone should be regulated by the will of the community, since they cannot affect anyone else. Thus we find that nowhere is the national government more respected and honored, nowhere is local liberty more unrestricted, and nowhere is the general grade of intelligence on a higher plane than in New England; while, on the contrary, there are few localities lower in intellectual standing, few places where national authority is more despised and ignored, and no place where boss rule is more despotic than the most intensely Democratic wards of New York City. This spirit of fairness, which has always possessed the dominant party, is illustrated in many other instances. Was it not the aristocracy of England that wrested the Magna Charta from King John? Then, although Washington rebelled against the British government when it attempted to carry centralization beyond the limit of equity, he himself was a Federalist and a centralist. Again, it was Andrew Jackson who prevented the decentralists from carrying out their plans, although he was

elected to the Presidency by the party of decentralization, and it was due to the efforts of the centralists under Lincoln that our country was preserved entire and the name American remained a proud one.

People often inquire why it is that the Republican party has from the moment of its birth been the party which has accomplished definite results, while the Democrats have simply played the part of obstructionists. Yet, as we have shown, this has been the case from the beginning of man's career, decentralization never creating anything, but only acting as a check or obstruction to keep the centralists from going too far. And even here it has been the mugwump centralists, if I may use the term, who have really done anything in the way of *successful* obstruction. Another fact which has created surprise is that the Prohibitionists are mostly old Republicans, while most men who advocate low license are Democrats. Some explain this by asserting that it is because the Republican party occupied a higher moral elevation, but while there is considerable truth in this statement we must look for the real solution elsewhere. Prohibition means centralization; it means that the government shall have the authority to dictate to the individual in order to benefit the mass. It is natural, therefore, that such a party should be but a branch of the old centralist party, and it is equally to be expected that those who are most strong in opposition to such an issue should be found among the decentralists, or advocates of individual freedom. It is for a similar reason that the Democratic and People's party men fuse so readily, since they both represent the same side of the question.

In the question of labor and capital we discover the same principle carried to the extreme in both cases. On the centralist side stand such intellectual fanatics as Bellamy advocating the absolute centralization of power, or in other words preaching despotism, while the decentralist end is upheld by the illiterate agitator, claiming that all property or power should be equally divided.

Few, indeed, fully realize the gravity and importance of the recent political revolution. Up to the time of Jackson the Democratic party represented the decentralist principle in a mild form only. But during his administration there sprang into existence a new and more radical branch of the party. It was the wing which attempted to take South Carolina out of the Union, and although it failed then, it made a much more powerful effort in 1861-5, an effort which shook the nation to the very base. This was simply pronounced decentralization, and when we study the official utterances of this branch and then compare them with the declarations of the present Democratic party we can scarcely avoid becoming convinced that the element which formed but a wing in 1832 and 1861 now embraces the entire Democracy. And when we consider the vast conquest which this party has just made, for the People's party belongs to the same division, it is a condition well suited to cause apprehension in the mind of any thoughtful man. Many claim that it is simply the question of protection or free trade upon which the people have rendered a verdict, but these do not pause to consider what protection and free trade really signify. Why is it that we find the Republican party arrayed beneath the banner of protection, while the Democracy rallies so unbrokenly about the free-trade standard? Protection means centralization; it means that the government shall have the authority to force the individual to buy in American markets in order to advance the common weal. It is but the natural consequence, therefore, that such a policy should be supported by the centralists. Free trade means individual liberty to buy wherever it suits one's fancy; it is decentralization of power, and thus it finds its supporters among the decentralists. This accounts for the radical declaration to be found in the Democratic platform of the present day upon the tariff question; it likewise makes clear the reason for their advocating the reaction of the state banks as opposed to the Republican and centralist system of national banking.

Decentralization means decay of national feeling, it means danger to the nation when really successful, and its recent great victory points unmistakably to the ominous fact that in spite of our unparalleled prosperity there is a deep feeling of discontent among the masses, and discontent in that quarter is an ugly thing.

THEODORE COX.

Mr. Cox appears to us to make political centralization and decentralization responsible for too much, when he regards them as the source of social strife. It is true that, carried to its ultimate, decentralization is anarchy, and centralization is absolute despotism. It cannot be said, however, that either of these forces is the initial cause of social strife. That arises from industrial and social discontent, which in turn comes from new tastes and wants among the people. It is only after people have acquired a taste for something new that they become discontented with the old, and it is this discontent which gives rise to social strife. Nor is it entirely true to assume that all affirmative action, and therefore social reform, necessarily comes from the centralizing party. On the contrary, for ages it has been the democratic or decentralizing forces that have wrought important reforms. The Magna Charta was a step in the direction of decentralization, as was also the establishment of the House of Commons in the fourteenth century. The Protestant Reformation was manifestly a movement of decentralization, since it transferred the right of judgment from one single authority to the individual citizen. The Cromwellian Commonwealth was clearly a step toward decentralization, for it took off the king's head because he insisted upon ignoring the opinion of Parliament. Our own Revolution was surely a step toward decentralization, as it transferred the power of government from the hands of the king's counsellors or a foreign parliament to the American people themselves. The truth is that the movement of political advance has been steadily in the direction

of democracy or decentralization. It is equally clear that positive reforms have come largely from the demands of this progressive or democratic element in the community.

Mr. Cox is entirely right in regarding the Democratic party in this country as mainly a party of negation, but it is not due to Democratic principles but to their erroneous economic doctrines. True democracy implies the development of individuality among citizens, and the transference to the individual of all political power which cannot be better exercised by the state. But it also implies what true social philosophy demonstrates, namely, that the state should be used to protect the opportunities for the development of individual capacity and responsibility. Through the failure to recognize this principle the policy of the Democratic party is essentially un-democratic. It is so dominated by *laissez-faire* economics that it fails to distinguish between the principles of anarchy and democracy. Instead of recognizing that government has affirmative and permanent functions in protecting and promoting the interests and opportunities of the people, it proceeds as if government was a necessary evil. Hence it fails to distinguish between government ownership and control of industrial enterprise, which is essentially paternalistic, and national protection to industrial opportunity, which is essentially democratic.—[ED.]

A Look About.

"I shall try to correct errors when shown to be errors, and I shall adopt new views so fast as they appear to be true views."
—Horace Greeley.

The late Thomas Nelson, the millionaire Edinburgh publisher, left \$300,000 for the erection and equipment of five workingmen's clubs and reading-rooms. We need such millionaires here; so that workingmen and workingwomen may be enabled, by superior social environment, to improve their gradually increasing leisure. The desire of workingmen for a more complex social life is evidenced by the movement of the printers of Cincinnati for shortening the working-day; of the Chicago cornice-makers, who have secured eight hours; of the Cincinnati cabinet-makers, who gained the nine-hour day after a bitter fight. The carpenters of New Orleans and the butchers of Orange, N. J., have also succeeded in limiting their working-hours to nine. It is gratifying to know that the shortening of the working-day would furnish employment for those out of work, whose number, it is said, is estimated as one out of every five. The pressure for shorter hours and larger wages is touching the mainspring of a higher civilization.

While New York ranks first in the study of social economics, we note that the Indianapolis Progress Club, and the Cold Cut Clubs in eastern cities, will listen to weekly lectures on economics this winter. If the principles of social economics could be instilled into the minds of the members of organizations of such magnitude as the Amalgamated Carpenters and the Brotherhood, together numbering 120,000, there would be less danger that either they or smaller organizations would make the grievous mistakes from the results of which they sometimes suffer.

The assumption that the Carnegie Steel Company intends to "treat with employees as individuals" is misleading. The Carnegie Steel Company knows that individuals have the right to choose their representative.

The fact that the Lewiston Machine Company is making a loom for weaving cloth one hundred inches wide (probably the largest loom ever made in this country) to go to Shanghai, China, and that Chinese labor is being introduced into the iron and steel works of the Société Cockerell, at Seraing, Belgium, makes a free trade policy all the more formidable.

In the development of new industries the Southern States are coming to the front, having established, during the first nine months of 1892, ninety-nine new iron and steel industrial works. What may we not expect of the South now that she is progressing on the right lines?

Speaking of development, the progress made in photography is worthy of notice. Astronomers need no longer spend weary hours gazing at the heavens, but may sit in their studies, and contemplate the heavens reflected upon photographic plates.

The difference in the rate of advancement in countries gives us food for thought. For instance, in Bulgaria only $7\frac{1}{2}$ per cent. of the population can read or write. Is this not because their desires are too limited, their lives too simple? In sharp contrast is the condition of things on this side of the Atlantic.

Tin has been discovered in Cassia County, Idaho; and opportunity is now afforded to manufacture tin plate near the source of the raw material, in strict conformance to economic law. Another opportunity to observe the operation of the same law is afforded in the formation of the Linseed Oil Trust, with a capital of \$18,000,000. We may naturally expect to see the price of linseed oil decrease.

The farmers seem to be rousing from their apathy, for we learn that a farmer of Scott City, Kansas, favored by a propitious season, raised this year from one hundred and sixty acres enough wheat to pay for three hundred and twenty acres of land adjoining. If now he was to take into partnership another farmer, or two or three, each with an amount of capital equal to his own, he would be enabled to use improved methods, and probably in time be able to forget his troubles as a "small farmer."

It is reported that a rural farming district in Michigan is being provided with a telegraph line eighteen miles long, connecting scattered farms with the village store. This enterprise should serve as an example for neighboring districts. The conservation of human energy, to be expended in profitable employment, is wiser than its dissipation in walking or riding long distances during working hours.

The estimated wealth of the United States, that is, the value of all lands, buildings, railways, etc., is put at \$64,000,000,000; the amount of its money of all kinds is estimated by the Secretary of the Treasury to be \$2,108,130,092. It is not quite so encouraging to learn that the Plate Glass Manufacturers of Pittsburgh, Pa., have decided to restrict production; but this will probably be the course pursued by the majority of manufacturers while cautiously awaiting the effects of a new policy.

It is a pleasure to record a bright outlook for Mexico. The production of coffee there last year exceeded 43,750,000 pounds, a figure which will soon be tripled by the introduction of improved machinery and the increase in the number of coffee plantations. Is not this increase of production and manufacture owing to the increased demand for coffee and its increased consumption?

That the Indian is becoming a manufacturer is an industrial fact not to be overlooked. In Maine the Indians are extensively engaged just now in making canoe-paddles; the industry is probably included in the report of mills in operation in Maine between 1880 and 1890. The increase in capital invested is given as over one million dollars; over four thousand additional hands were employed; the increase in wages was over two millions of dollars, and the increase in value of output over four millions.

There is encouragement for women in the prospect of a woman's labor movement in Boston. It is to be hoped that other cities will fall in line. The fact that there are 37,000 woman telegraph operators gives some idea of the power such a movement might wield for the benefit of the sex; and when we learn that the employment of woman compositors is regarded as among the obstacles to securing a shorter working-day for printers, it seems that women should appreciate the importance of thorough and immediate organization, which would develop strength to command more and better opportunities, and would teach them, among other things, that when women enter the industrial arena their object, like that of men, is the acquisition of wealth, and it would follow that they would co-operate with men in every attempt to improve their joint condition. This would not only overcome the opposition of men to women as competitors, but would give the latter the advantage of an increased rate in wages.

While Erie is discussing the small wages given to working-women, and those interested, in other parts of the Union, are commenting upon their careworn countenances and dejected air, it is important to know why women, as a rule, receive low wages. It is probably because, with the majority of them, the wages they receive serve to cover their cost of living. A change in the social environment of working-women would serve, not only as an incentive to

demand higher wages by increasing their wants, but would place their work and their wages on a higher plane. Everywhere opportunities are opening for women ; their advent into the field of the commercial traveler may induce those who are adapted to such work to abandon poorer paying employments ; and the established fact that there are orchestras composed entirely of women gives the possibility of lucrative employment to those endowed with musical talent. That the women of the present age are not wanting in the spirit of enterprise is attested by the fact that under the management of Mrs. Palmer and her Board of Managers, respectable women visiting the World's Fair may procure twenty-five nights' lodgings for ten dollars, and perhaps realize a profit on the investment.

It is interesting to note that in the thirteen years' existence of the Harvard Annex the number of its students has increased from twenty-five to three hundred, and that the Woman's College of Baltimore has recently received gifts of books amounting to 1,500 volumes, also valuable additions to the apparatus of the chemical and biological laboratories. Women are not neglecting the opportunities offered for higher education, for they occupy positions which could be secured only as the result of the improvement of such advantages ; one instance is that of Mrs. H. H. Pettijohn, who after a rigid examination was admitted to the bar of New Mexico at the spring term of the court.

C. S. ROBINSON.

Editorial Crucible.

Correspondence on all economic and political topics is invited, but all communications, whether conveying facts, expressing opinions or asking questions, either for private use or for publication, must bear the writer's full name and address. And when answers are desired other than through the magazine, or manuscripts returned, communications must be accompanied by requisite return postage.

The editors are responsible only for the opinions expressed in unsigned articles. While offering the freest opportunity for intelligent discussion and cordially inviting expressions of well digested opinions, however new and novel, they reserve themselves the right to criticise freely all views presented in signed articles, whether invited or not.

WITH THIS NUMBER the SOCIAL ECONOMIST begins its fourth volume. The title-page and contents for Volumes I and II are ready and will be sent to subscribers on application. The same for Volume III is in preparation, and will be forwarded when ready.

PRESIDENT GOMPERS and the leaders of other amalgamated labor organizations are heading a movement to raise a fund for the defense of the members of the Advisory Board of the Amalgamated Association of Iron and Steel Workers in their trial for treason. This is a commendable movement, and should receive the support of all who believe in fair dealing, whether they believe in trades-unions or not. It is no light matter, in this year of grace 1892, to have a whole committee of a labor organization indicted for treason because physical force was used by members of their organization in resistance to Pinkerton policemen, a body of questionable legal status at best, and one whose chief functions have been to intensify rather than to suppress strife among wage-workers. A proposition for

the suppression of Pinkertonism is quite as pertinent as trial for treason of workmen who were indiscreet enough to resist armed intrusion. A system of private mercenary police has no legitimate place in this republic.

THE *Annals of the American Academy* for September gives us an article by Mr. S. N. Patten on "The Economic Causes of Moral Progress," which sinks some excellent ideas in a bewildering metaphysical marsh, relating to groupings of pleasures and pains. If he had simply announced that an increase of wealth leads to an increase of relations, which by their diversities engage and develop individuals and societies to more complex activities, he would have secured a firm grip on his subject and its material. But he deals with the complexities of an enlarging society as the result of educational forms rather than economic forms, and so gives us hard reading and muddies about "the relative size of the complementary groups of pleasure and pain." Is it not much clearer to say, when a man or a society adds a boat to a primitive outfit, for instance, that sea habits, and finally navigation laws, must be developed because of the action of inevitable law, than to say that this development is because of more pleasure or pain? The crab sheds his shell, not for pleasure, but because he has grown so large that it splits and falls off. *Ecce signum.*

THE COMMERCIAL BULLETIN for December 22d shows that the balance of trade in our favor for November was nearly thirty millions, and adds that the net exports of specie have already amounted to eleven millions this month. "However much men may differ about the cause, there can be no reasonable dispute about the fact." This outflow of gold, the *Bulletin* thinks, is due to the indisposition of foreign capitalists to continue their investments in this country, and adds, "If this is not on account of the differ-

ence arising from silver legislation, it behooves those who deny this to offer some other sufficient explanation."

Dear Mr. Bulletin, it is not that at all. Nobody is seriously frightened about the silver legislation, because everybody acquainted with affairs knows that the free silver scheme could not pass even with a Democratic administration. Mr. Cleveland can be depended upon to veto that matter every time. The real explanation of the scare of foreign capitalists is the uncertainty of our tariff legislation. With free trade they would prefer to have their capital in Europe and send their products here: with adequate protection, they would prefer to have their capital here where their goods can be sold. This is the explanation.

THE FRENCH REPUBLIC is just now undergoing a severe strain. Latest advices indicate that more than one hundred members of the Parliament are implicated in the Panama scandal. All Europe, and even the French government itself, is looking for a revolution any day. The different Royalist parties are preparing to take advantage of an uprising to overthrow the républic and re-establish a monarchy. The Orleanists are said to be in full readiness, and the Bonapartists have prepared a manifesto to be issued the moment a break shall be made. This adds another to the many illustrations of the fact that civilization is not determined by political forms, but that permanence of political forms depends upon civilization. Much has been made of the fact that the land of France is divided into small holdings, and the French peasant is famous for crumb-saving. The truth revealed in all this is that small holdings mean poor methods and high cost of production, and crumb-saving means simple living, with products dear and little used. It is a universal truth that when the standard of living of the masses is narrow and simple, political institutions must be despotic if strong. Democracy can thrive only in the atmosphere of large consumption

and high social conditions. Where the peasants go bare-footed, republics are likely to be corrupt. Democratic governments cannot permanently rise much above the level of their people. In a republic, frugality that exposes feet to save shoes is a sure indication of doubtful government.

HARVARD COLLEGE appears to have become a center of pessimism, for every voice that comes from there brings some warning of the evils awaiting us in the future, resultant upon our recent strides in money-getting. Colonel T. W. Higginson, in a recent speech in Cambridge, after portraying to his learned neighbors the ills we suffer from our tariff system, said:

I remember when I was a boy in Cambridge that there was but one man in Massachusetts who was ever suspected of such a thing as being a millionaire, John P. Cushing of Watertown, an East India man. It seemed so hard a thing to believe that any man could be worth a million dollars, that I remember it being discussed: "Is it supposable that a man could be worth a million dollars?" That was half a century ago. I ask you, what is a million dollars now? Genteel poverty. A man may keep up appearances on it, but he is sympathized with by his friends, who have really got some sympathy for him on account of his not having a better income.

We heard of Colonel Higginson's speech through a spinner of Fall River, who pertinently remarks:

I too can remember when millionaires were scarce in this country. At that time I followed a pair of mules thirteen hours a day for \$5 a week. Now spinners on fine work, since the recent advance in wages, can earn \$20 in a week of fifty-eight hours.

How strange that such otherwise able men should so misinterpret the tendency of the times! Colonel Higginson ought to know that when employers were poor, laborers were poorer; when rich men were few, civilization was low. Once everybody was poor. Then a few became well off, then a larger number, and to-day everybody is better off than once the few were. Instead of deploring this tendency, we should in every way encourage it, that the poor may no longer be with us.

IN THE NORTH AMERICAN REVIEW for December, Mr. Balfour gives his views of the new House of Commons and the Irish Question. According to Mr. Balfour, the general election in England was entirely unlike the recent presidential election here, in that the polls were enormously large and "there is no evidence that any class or section of the population, on either side in politics, was lukewarm or indifferent." He thinks the political eagerness of the constituencies is faithfully represented in the House of Commons. In combating the charge of injustice to Ireland, he says, "The Irish at this moment enjoy a larger proportionate share in the management of the United Kingdom than either England or Scotland. They enjoy more than their fair share of imperial time, and more than their fair share of imperial money." It is indeed true that the political injustices complained of in Ireland belong to the past and not to the present. There is no country in the world where the laws relating to farmer and tenant, for instance, are so distinctly against the land-owners as in Ireland. Indeed, they are really socialistic. Ireland is the only place in the world where the tenant can take the landlord into court and demand a reduction of rent on the plea that he is unable to pay. A little more of this kind of thing and land would not be worth owning. As we have before remarked, the Irish question is an industrial, not a political one. It is not so much the location of the Parliament that needs changing as the social condition of the people, and this must be accomplished through the development of complex industries, the introduction of manufacture: it can never come through mere manipulation of political machinery.

TO READ MUCH that is said nowadays about wealth one would think that it was the most pernicious thing with which society could be afflicted. Mr. Walter Crane furnishes a good example of the way in which impractical people can idealize a wealthless community, in an article

“Why Socialism Appeals to Artists.” If Mr. Crane is a fair representative of artists, we should think it is because they know so little of the world and what it is doing for humanity. It is not true, as he says, that “production for profit has taken the place of production for use,” since both these ends always were and always will be in essence the same; for the useful is profitable, and nothing which is not useful can be profitable. It is not true that competition is a modern invention, unknown to former ages: it is as old as society, being at bottom the universal struggle for existence. It is not true that “cash and comfort” are more securely “enthroned” than ever they were: they are yet, as they have always been, mere shorthand symbols for progress in civilization. It is not true that the “joy, dignity, and poetry of labor are now being crushed out”: machinery gives shorter hours and easier labor than ever did or ever could result from the hand work of yore. It is not true that the woods of Bohemia are better than city streets, for in those woods only thieves, outcasts and fairies found a home. “The greed and desire for gold” is a false and bitter way of putting the longing of every man who is a man to improve his condition and his willingness to work to do so. Art is an important factor in a progressive society, but its devotees are usually so wholly out of touch with practical affairs that they are but as mild-eyed, melancholy lotus-eaters in the land of endless afternoons amid the renovating energies of machinery and modern life. They think they dream it all as it should be, only because they know so little of what is really going on around them.

HOW FEW HISTORICAL WRITERS appear to understand that economic interests are really the determining force in shaping social and political institutions! They frequently ascribe the course of a nation's history to the influence of a single soldier, statesman, preacher, or poet, as if that were possible except as such personages voiced the ideas and in-

terests of the community. Even Prof. Brice's "American Commonwealth" appears to be tainted with this method, when he attributes the confidence of Americans in public opinion to a "belief of the people in their star" and "confidence that the people are sure to decide right in the long run." It is not difficult to see that no such flimsy security could carry the heterogenous and conflicting forces of our nation, gathered as they are from all the races of mankind and often densely ignorant even of their own welfare. What really makes our republic safe, and what alone can make any republic safe, or the decisions of its people sound, is the development of the industrial condition of the masses, which creates an economic and social interdependence and a solidarity of interest throughout the community. A community of interests works silently and unseen, but it works constantly, and keeps the nation traveling together and in one direction; no sentiment, except such as arise from a common interest, can ever do this. The truth is that sentiments holds just as long as interests hold, and not much longer. When interests begin to diverge, everything else parts, as was seen in the case of our civil war, when opposing interests in slave property rent the republic like a sheet of paper, in spite of traditions, glories, flag, and fraternal sentiments as old as the national life. Sentiments are the showy pattern stamped in colors upon the stout fabric of interests. Interests forever interlacing weave a cloth of nationality so firm and strong that nothing less than the relaxation or rotting of all its threads can part it into fragments.

REV. DR. LYMAN ABBOTT argues ably for compulsory arbitration for the labor disputes in the *Arena* for December. He recognizes some difficulties in establishing compulsory arbitration, but thinks it could be easily introduced by making it a condition of granting charters to corporations. Capitalists can choose between adopting compulsory arbitration and having legal corporate existence. This is

not so simple a matter, however, as Dr. Abbott seems to imagine. It is a growing complaint in society to-day that our jury system largely fails to render just decisions; so much so that its abolition has been more than once suggested by high legal authorities. Industrial difficulties are as much more complex than the ordinary criminal outbreaks and civil suits as modern society is than feudalism. To lay subtle economic questions before a body of lawyers, or even a court of arbitration which will probably be largely composed of lawyers, would be to submit the decision to those least competent to understand the case. It might prevent some strikes, but it would frequently do so by suppressing real progressive demands of laborers. And if it should succeed in suppressing strikes altogether, it is more than probable that it would do a positive injury to the community, because strikes, except in rare cases, are the culmination of a growing demand for certain new conditions. What society really needs is, not to force the two parties to submit their case to those who are ignorant of its character, but rather to encourage conditions that shall permit laborers in their collective capacity to stand socially and legally in the same relative position that capitalists do on the other side, so that the two economic forces shall work out the result without, as at present, one being handicapped by social disadvantages, and the other bolstered by social privileges. If any new feature should be introduced into corporate charters, we would suggest that it be to prevent capitalists from instituting a lockout solely for the suppression of labor organizations.

“F. I. S.” WRITES in the *Republican Magazine* of the aims of labor, pointing out that it does not want to destroy capital, but that it should put a stop to the practice of rising by “cajolery and tyranny.” His soul is vexed that one workman should find it possible, by flattering his employer and browbeating his fellows, to rise above these latter, and, as a result of his nefarious arts, secure a large salary. Can

any one rise, in any trade or business, without giving proof of manual dexterity or executive ability? "S." is also troubled about the "rising young man," who is, it seems, at war "both with capital and labor." He should be ignored, repressed, since he absorbs what the wage-earner should receive. Government supervision will repress him, therefore let us have plenty of government supervision. Let general corporations be subject, as are national banks, to the examination and report of appointed officials. Then, with the knowledge that their wages are as high as the affairs of a corporation would warrant, men would become content, and all trouble on this score be prevented. The rising young man would be repressed. But the rising young men are the soul of progress—inventive, urgent, toilsome. A certain government supervision might be valuable in large concerns, though the multiplication of government officials is in itself most undesirable; they are the least progressive of citizens. Even they, however, could not suppress the "rising young man." He is a work of nature, original, forceful, irrepressible, and will always be a disturbing element in settled arrangements. But "S." should remember that when a government has "repressed" rising citizens, it has orientalized society, and has made its own dissolution merely a matter of time.

New Books Received for Review.

- The Economy of High Wages.* By J. SCHOENHOF. G. P. Putnam's Sons, New York and London. 1892. 414 pp.
- An Introduction to English Economic History and Theory.* By W. J. ASHLEY, M.A. G. P. Putnam's Sons, New York and London. 1892. 227 pp.
- The Farmer's Tariff Manual.* By DANIEL STRANGE, M.Sc. G. P. Putnam's Sons, New York and London. 1892. 363 pp.
- Taxation and Work.* By EDWARD ATKINSON, LL.D., Ph.D. G. P. Putnam's Sons, New York and London. 1892. 296 pp.
- Socialism Exposed and Refuted.* By REV. VICTOR CATHREIN, S. J. Translated from the German by Rev. James Conway, S. J. Benziger Brothers, New York, Cincinnati, Chicago. 1892. 164 pp.
- History of the English Landed Interest.* By Russell M. Garnier, B.A. Macmillan & Co., New York. 1892. 406 pp.
- The Free Trade Struggle in England.* By M. M. Trumbull. Open Court Publishing Co., Chicago. 1892. 288 pp.
- Socialism, Utopian and Scientific.* By Frederick Engels. Translated by Edward Aveling, D.Sc. Charles Scribner's Sons, New York and London. 1892. 117 pp.
- Stone, Bronze and Iron Ages.* By John Hunter-Duvar. Macmillan & Co., New York. 1892. 285 pp.
- Political Economy for American Youth.* By J. H. Patton, Ph.D. A. Lovell & Co., New York. 1892. 297 pp.
- A History of Presidential Elections.* By Edward Stanwood. Third Edition, Revised. Houghton, Mifflin & Co., Boston and New York. 1892. 492 pp.
- The Eve of the French Revolution.* By Edward J. Lowell. Houghton, Mifflin & Co., New York and Boston. 1892. 408 pp.

SOCIAL ECONOMIST.

FEBRUARY, 1893.

The Economic Errors of Trusts.

It has been well said that there is generally "a soul of truth in things erroneous." When historically investigated, the crudest theological, political, and economic superstitions are generally found to have had their rise in some actual experience. The public generally misunderstands and often exaggerates social facts, but it seldom invents them. Whenever public sentiment turns against established institutions, we may be sure that it is not entirely without cause, however irrational the proposed remedies may be. What then is the cause of this popular antagonism to trusts? Is it due to some peculiarity inherent in this form of industrial organization, or does it arise from erroneous ideas of administration? In short, are trusts a legitimate form of economic development, or are they simply a form of monopoly superimposed upon society?

Many people talk about trusts as if they were a sudden creation, the product of a conspiracy against the public. Nothing could be further from the truth than this view. The history of trusts is simply the history of the continuous and almost imperceptible tendency in progressive society toward a greater centralization of capital which the most highly developed labor-saving methods of protection make necessary. The impeachment of trusts as economic institutions is therefore the impeachment of the concentration of capital, without which, it is needless to say, our great railroad, telegraph, and factory systems would have been

impossible. Very few of the industries which use the most approved methods and have contributed most to cheapening the multitude of products can now be conducted with a capital of less than a million dollars; many of them require tens and even hundreds of millions. Such large capitals would be absolutely impossible without the co-operation of the great capitalists. If the evil lies in the amount of capital aggregated in a single concern, then what shall the limit be? If a hundred million is dangerous, why not fifty million? And if fifty, why not twenty-five, or ten, or even one? A hundred or even fifty years ago, a millionaire would have been regarded with as much apprehension as is a hundred-millionaire to-day; indeed, he would have sustained about the same relation to the productive needs and methods of the community. The truth is that in this case, as in the growth of all social institutions, the new form came because it was necessary. The small English water-wheel factory on the river-bank, in the eighteenth century, came because the isolated handloom and spinning-wheel did not permit the utilization of the most economic methods after the spinning-jenny and spinning-frame were invented. The steam-driven factory in thickly populated centers came in the first quarter of the nineteenth century because the water-wheel shops were incapable of employing the best methods after the invention of steam and the power-loom had been completed. If these had not been capable of lessening the cost of production and so rendering a general benefit to the community, they could not have succeeded, as there would have been no demand for their products. So, again, by the middle of the century, when machinery had been still further improved, partnership organization of industry became necessary because single individuals were not rich enough to furnish plants sufficiently large profitably to employ the most improved methods.

With the cheapening of products and the increased consumption which followed the use of these successful im-

provements and the consequent social advance of the community, a revolution in the methods of distribution and international communication became necessary. Inventions multiplied, which so enlarged the industrial world as to render corporations necessary in order to obtain the best economic results. Modern trusts are but a single step further in the same direction. They are simply the organization of corporations, in the same way that corporations were the organization of individual capitalists.

Trusts, instead of being a sudden monopolistic creation that has been sprung on the community by a few designing conspirators, are but the last link in an industrial chain more than a century long; and are no more revolutionary than any one of the previous links, and less so than some of the earlier ones. Each one of these links in the great chain of industrial evolution came and stayed only because it was more profitable than its predecessors to those who employed it, and it was more profitable because it lessened the cost of production and served the community more cheaply. Had it not done this, it could not have sustained itself in competition with the old methods.

That the concentration of capital is necessary to the employment of the best methods in modern industry is too obvious to need discussion. Those who controvert this position may be passed by as unqualified scientifically to discuss the subject. Every labor-saving and price-reducing improvement now in use has involved concentration of capital in some form; in fact, the history of the economic progress of the present century is the history of the concentration of productive capital. To decentralize capital is to barbarize society. The general proposition of the economic necessity of the centralization of capital, therefore, may be regarded as self-evident.

Like all other institutions in society, trusts must be judged by their service to the community. Do they serve the public cheaper and better than did smaller organizations? If they do not, the community has no use for them.

In considering this question, however, we must distinguish the spurious from the genuine, and not make economic trusts responsible for the doings of merely uneconomic speculative combinations. One of the chief objections urged against trusts is that they are monopolies. Now, we must beware of attaching too much importance to this charge. The cry "monopoly" is very apt to be raised by those who fail against the successful. With this calling of names the community has no concern: it is interested only in the economic result. This will depend mainly upon the manner in which the so-called monopoly is acquired. If it is acquired through special legislation, by which competitors can be excluded and prices arbitrarily controlled, it will be monopoly in the objectionable sense. On the other hand, if the control of the market is obtained by furnishing better and cheaper goods, it is clearly an advantage to the consuming public. Now, the great successful trusts have not relied upon special legislation; on the contrary, they frequently have been obliged to spend large sums of money to prevent themselves from being handicapped by discriminating legislation. Indeed, it is true that, encouraged by the prevalent antagonism to large capitalists, mushroom statesmen have made it a too common practice to concoct threatening legislative measures, which they never expect to have passed, for the purpose of exacting tribute from railroad and other corporations. Of this practice the Union Pacific and the Broadway railroad are conspicuous victims.

Trusts have obtained their industrial supremacy either by improving the quality or lowering the price of the commodities they furnish. Of course, one result of the success of the larger organizations is that smaller and inferior competitors are either absorbed by them or driven from the field. But to this no valid objection can be urged. Those who best serve the community are entitled to the community's support; otherwise there could be no lowering of prices, and we should still be handicapped by the high cost

and poor service of the hand-loom and stage-coach methods such as Russia now enjoys. Therefore, to complain because those who produce most cheaply obtain supremacy, is to complain of the advance of civilization.

That the great trusts have obtained their supremacy through their economic superiority is completely demonstrated in the history of the Standard Oil Company, the Western Union Telegraph Company, and our great railway systems. The price of petroleum, for instance, has not only been greatly reduced since the trust was organized, but the quality of the oil has been immensely improved. When petroleum was produced by small companies, and cost four times its present price, its quality was such as to render its use highly dangerous. The daily papers always reported, among the casualties, a number of accidents from lamp explosions. At an immense expense, the trust has almost entirely eliminated the explosive element, and at the same time has improved the illuminating quality of the oil and reduced the price about thirty per cent. Moreover, by the introduction of new processes this trust has developed methods for manufacturing several new products from what had hitherto been refuse, with only a fuel value. From this waste is now manufactured naphtha, lubricating oil, paraffine wax, etc., and the price to the public in each case has been greatly lowered. For example, the price of paraffine oil has been reduced from 22 cents to about 11 cents a gallon, and has been improved over fifty per cent. in its lubricating qualities. In 1875 the standard for American paraffine oil by the commercial test, viscosity, was 100 seconds at the temperature of 70; it now tests 150, and its flash point, which in 1875 was 300, is now 380. In 1875 paraffine oil could not be used for lubricating machinery without the admixture of from 20 to 50 per cent. of animal oil: it can now be used without any animal oil. This is true of several lubricants made from petroleum, especially cylinder oil, which, even for railroad purposes, has superseded tal-

low and other animal lubricants. Again, in 1875 the price of petroleum cylinder oil was \$1.25 a gallon: it is now less than 40 cents. The price of black lubricating oil used for railroad axles was from 15 to 18 cents a gallon in 1875: it is now sold at from 7 to 9 cents. The production of paraffine wax since 1870 has been increased from 6,000 to over 20,000 tons a year, and the price has been reduced from 9 to 5 cents a pound. The manufacture of these by-products has involved the use of large quantities of sulphuric acid, which the trust decided to manufacture for its own use, and, through improved processes, has reduced its price from $1\frac{1}{4}$ cents a pound to 8 cents a hundred pounds. It has thus not only greatly reduced the price of its main product, but it has converted mere waste into numerous by-products, every one of which has been greatly improved in quality and lowered in price. The cost of cotton-seed oil, sugar, and transportation and telegraph service, under the control of the most conspicuous trusts and combinations, has fallen in a similar ratio.

There has indeed been a general cheapening of commodities during the last fifty years, but facts everywhere show that the fall in prices has been greatest in those industries where capital is most concentrated; for instance, articles produced by hand-labor are not cheaper, but in most cases dearer, than they were half a century ago, witness art-engraving, sculpture, wood and stone carving, brick-laying, mason-work, etc.; and, with the exception of wheat and a few other articles, the price of farm, garden, and dairy products is higher now than in the first quarter of the century. It is in manufactured products that the great reduction in price has taken place. This is because in manufacturing industries only have large capitals and labor-saving machinery been employed. The reason the price of hand-labor products has increased is that wages have risen with the general rise of civilization, and none of the labor has been saved by the use of machinery. In agricultural industries machinery has been introduced

only to a limited extent, and hence has not lessened the cost of production perceptibly more than the rise of wages has increased it; and agricultural prices have remained practically static. In manufacturing, through the extensive use of capital, the cost of production has been reduced by improved machinery very much more than it has been increased by the rise in wages, hence the marked lowering of prices. This distinction is equally marked in different lines of manufacture, the economy in production and the fall of prices being greatest where the largest capitals and best methods are employed. Nothing better measures the real cheapening of products than the purchasing power of daily wages. We have elsewhere* furnished statistics of wages and prices which show that from 1860 to 1885 the purchasing power in two hundred staple articles of the average weekly wages in twenty mechanical industries increased a little over fifty per cent. Applying the same test to the production of cotton-seed oil, petroleum, and sugar, and to railroad and telegraph service, which are in the hands of the largest combinations, we find that from 1860 to 1890 the average purchasing power of the same wages was increased to 236 per cent., or more than four times as much as those of the non-trust corporations, as shown in the following table:

Purchasing power of weekly wages in	1860.	1890.	Percentage of increase.
Cotton-seed oil.....	18.02 gals.	29.93 gals.	66
Sugar refined.....	90.09 lbs.	152.00 lbs.	67
Freight New York to Chicago:			
First class.....	530.00 "	1317.00 "	148
Second class.....	654.00 "	1520.00 "	132
Third class.....	822.00 "	1976.00 "	176
Fourth class.....	1309.00 "	2822.00 "	115
Telegraph messages.....	8.25 "	31.66 "	283
Petroleum refined.....	107.89 "	1086.89 "	907
Average percentage of increase.....			236

Judged by the standard of efficiency of service and

*Principles of Social Economics, p. 408.

cheapness of product, trusts are manifestly a superior form of industrial organization, which has come to stay unless economic progress is arrested.

Of course, all trusts have not made so good a showing as these, which we have cited because they are among the oldest and largest concerns of their kind, and are, moreover, legitimate economic organizations. Their success demonstrates the correctness of the principle of capital concentration, and shows that properly conducted trusts are truly beneficial to society. There are economic and uneconomic trusts, just as there is the genuine and the spurious in every walk of life. Economic trusts are those which, like the Standard Oil Company, the Western Union Telegraph Company, the American Sugar Refining Company, and the great railroad systems, have used their consolidated capital to acquire profits through economies in production, and have shared the gain with the community by giving lower prices and better service. All such contribute to the permanent improvement of society.

There are combinations, however, that have assumed the name without the virtue, and have used their organization to benefit their promoters at the expense of the public. Although it is true that this stand-and-deliver method cannot succeed permanently, it can and does inflict injury for a time. Such is the history of "corners." Several so-called trusts have endeavored to employ this method, conspicuously the copper trust, which, instead of trying to increase its profits by improving the methods of producing copper, has tried to lock up the copper of all the world, and then to exact exorbitant prices or to deprive the community of the use of the metal. But, like Keene with his wheat corner and the Panama conspiracy, it overreached its mark, and collapsed, bringing ruin in its fall to many of its projectors. Several other combinations have tried to do substantially the same thing on a smaller scale.

It is this uneconomic use of large capitals, this attempt of a few industrial pirates to exact large profits from the

community by raising prices, that has brought trusts into general disrepute. Of course, it would be absurd to condemn legitimate industrial organizations for the misconduct of uneconomic combinations; nevertheless, it should be remembered that public opinion is not discriminating: it is apt to judge a class by its known specimens, and is much more likely to remember those who injure than those who benefit. The prevalent feeling against capitalists in general is encouraged by the direct abuse of successful business men by political editors, reflected and intensified in the fairyland socialism portrayed by all grades of fiction writers from Bellamy to Howells. Strictly speaking, therefore, although much of the opposition to trusts in particular and to capital in general is irrational, it has really been created by the uneconomic conduct of capitalists themselves. The chief reason for this is that capitalists, like laborers, are ignorant of the subject of industrial economics. For the same reason that they mistakenly believe in cheap-labor production, they delude themselves with the idea that they can establish a profitable business by imposing upon the community; consequently they have succeeded in arousing the hostility of both laborers and the general public. A little more in this direction, and they will be handicapped by a network of socialistic, restrictive legislation. The political atmosphere is already surcharged with threatening rumors. The Sherman Anti-Trust Law and the various laws against trusts, under which the Standard Oil Trust has been forced to disband, foreshadow what is likely to come. Schemes for graduated taxation of incomes, to confiscate large fortunes and make millionaires impossible, are being seriously considered by public men, who, be it remembered, always stand ready to do whatever the people, wisely or unwisely, desire to have done. This would be a serious blow to industrial progress, and it would be a blow from which large capitalists would suffer most.

The true remedy for the existing hostility to trusts and large organizations is in the hands of capitalists

themselves. If they would disarm popular opposition, they must avoid furnishing superficial revolutionists with an excuse for creating public opinion against them by refusing all aid, either of money or influence, to uneconomic enterprises. If our great capitalists would resolutely take this high economic position, the smaller ones would be compelled to do likewise, and the present universal distrust of capitalistic movement would soon be superseded by universal confidence. It is to be hoped that the piano and typewriter trusts now forming and other projected combinations will act upon this principle, and thus help to create public confidence in the progress of our present industrial system, instead of furnishing additional arguments for its destruction.

The error of trusts, then, is not the extent of their concentration of capital or their industrial supremacy: it is their failure to recognize the economic law of their existence, namely, *that an increased concentration of capital and commercial power in fewer hands is justifiable only on the condition of improved service to the community, either in better quality or lower price of what is furnished.* Profits are the legitimate reward of capitalistic enterprise, but they must be obtained by exploiting nature through improved methods, not by exploiting the community through higher prices. If capitalists imagine that any amount of accumulated wealth can enable them to defy this essential condition, they are woefully mistaken, and sooner or later they will have to pay the penalty, either by arrest of their progress or by entire dispossession of their present industrial opportunities.

How to Deal with Our Immigrants.

The press and the pulpit alike are discussing the difficult questions which arise with regard to emigration. It has always been a difficult question in regard to moral health: people began to see last year that it was a difficult question with regard to physical health. The various emigration bills now proposed in Congress look at it from both points of view. As Carlyle said so long ago, the man is our brother, after all; and if we do not choose to believe it, it turns out that scarlet fever passes from one house to another, as if to show that we are of one blood.

I propose to speak of some improvements in the welcoming of the immigrant when he comes. This is a department of the whole subject which has been neglected to an extent which is almost inexplicable. It is certainly very remarkable.

There is a general impression that the governments of the Western States are very desirous to stimulate immigration into those States. To a certain extent they are, but they have never long turned their energies toward practical efforts, either in Europe or at the seaports, to direct the newcomers to go to one State rather than another. In the annual book of statistics issued by the State of Kansas, as long ago as 1879, their commissioner on the subject said squarely that he wished it might be understood that they had no special plea to emigrants from Europe. He said that if they received their arithmetical proportion of these emigrants, it would be about thirty thousand in a year; and he said with pride that this was not so large a number as arrived in Kansas on any pleasant day of the summer, without any special solicitation from the State authorities.

The truth is that, with the exception of the great Norwegian and Icelandic emigrations to the Northwest, the pioneer emigrant is not so apt to be a European as he

is to be one of the American blood. Our own people are born with a "thirst for the horizon." They know the business of emigrating, and they adapt themselves to new circumstances better than the Frenchman, the Italian, or the Russian.

When Mr. George Jacob Holyoake was in this country some years ago he called my attention to the absolute indifference of the general government to the great tide of foreign emigration. He said that the general government might, without much difficulty, provide a convenient manual for emigrants, which should tell the ignorant European where he wanted to go. If he wanted to raise wheat, it could direct him to a wheat country; if he wanted to raise oranges, it could direct him; if he wanted to skate or to cut ice, it could instruct him as well. But, in point of fact, he said, all the documents scattered in Europe are the prejudiced and one-sided appeals of particular land companies or railroad companies. One of these books will fall into the hands of a man perfectly ignorant of the geography of the country, as ignorant as the reader of these lines is of the interior of Australia, and on this highly-colored, one-sided picture the emigrant makes his determination. Mr. Holyoake said, as I think very sensibly, that it was well worth the while of the general government to appoint an officer or a board of officers, who should prepare every year a reliable emigrants' manual. They could at least put it in the hands of their consuls abroad, so that men could send for it as they wanted it. Thus the intelligent emigrant, on his arrival at New York or Boston, would know something of the requisites of different parts of the country, and might form some idea of what he wanted. I have again and again called the attention of public men at Washington to this appeal of Mr. Holyoake, but never, so far as I know, with the slightest success in any quarter.

The truth is that the wave of emigration has come without our asking for it, it has enriched us without our care, and, speaking for organizations, whether of churches

or of States, we have let it alone with a sublime indifference which would hardly be conceived possible if it were not everywhere apparent.

Now the great requisite, as anybody would say in the abstract, is to give to emigrants such a reception—I had almost said such a welcome—as will from the beginning put them on the right track. In point of fact, however, when an emigrant vessel arrives at one of the great seaports, the great difficulty of the officers is to keep the unwary and ignorant European out of the clutches of people of his own country who want to fleece him and are perfectly willing to lead him to his ruin. They are the people who, in practice, welcome him. In the large cities this danger has so far awakened remark that some negative care is taken of the emigrant. These harpy people are screened off from absolute presence on the deck or the dock with him, as far as the authorities have power; but, with two or three rather curious and interesting exceptions, there is nobody who welcomes him from a kindly point of view, or wants to give him unprejudiced information.

I hardly know whether the largest of the arrangements made for welcoming emigrants comes quite within this description; it is, however, scientific, and well worth imitation in many regards. This is the care taken by the Church of Latter Day Saints for the emigrants whom their missionaries have sent over. These Mormon people are very ignorant, they are generally very poor; but they stand first on the list of the foreign arrivals, if we make our list by the tenderness or the intelligence of the care which is given them on arrival. That is to say, whether ten such emigrants arrive or a hundred, in a particular vessel, the proper head of emigration of the Latter Day Saints has been notified in advance that they are coming; he has detached to meet the particular vessel on which they arrive an agent, who has even the names of these people, who calls them off at once, and takes them under his protection; thus, be they ten or a hundred, they

do not fall into the hands of pirates who are to fleece them or misdirect them. From the very beginning they are in the hands of the emigration officers of the Latter Day Saints. It will be seen at once that this is for the special objects of the Mormon Church, and the information given is not unprejudiced. These people are all to go to Salt Lake City first, and the only thing that the emigrant agent has to do is to take them to the proper boarding-house or to the proper train, that their long journey may begin. But this thing he does, and does well. And the Christian of any other communion, when he lands upon the pier, has the mortification of seeing that the great Presbyterian Church is not represented there, the Episcopal Church is not represented there, the Catholic Church is not represented there; but that this outcast from his own Zion, the Mormon Church, which he passes by as a Levite might do, when he counts up the number of Christians in America, is the one organized religious body claiming the Christian name which is taking care of its own brethren on their arrival here.

There is another organization which is carrying on similar work, and even with more detail than that of the Mormon Church, which has been lately stimulated to this duty. I refer to the strong, healthy, and business-like work of the American Israelites, in preparing for the arrival, within the last two years, of the exiles from Russia and other parts of eastern Europe. Here is an object lesson which may well be studied by people who are interested in this business of the regulation of emigration. I can speak with most detail of the arrangement in my own home, the city of Boston. The attention of the Jewish residents of Boston was called, early in the year 1891, to the influx of Jews, many of them in great poverty, from the east of Europe. These gentlemen and ladies of the Israelite faith organized a strong commission for the proper reception of such emigrants as might arrive in Boston. Speaking in round numbers, between that time and

this time about four thousand such persons have arrived, most of them in great poverty, almost without exception ignorant of the English language, and in very many cases unable to pursue any industry but that of the simplest character.

The commission appointed by the Jewish societies meets every vessel on its arrival from Europe in Boston, to find out how many such emigrants may be on board. Unless it is evident that the emigrant has means for his own support he is taken at once under the charge of the commission, a temporary lodging-house is arranged for him and his, where they can pass a sanitary inspection, where they and their clothing can be washed, and where, in a word, they can be prepared for their new life. An industrial school is open for the immediate training to some simple industry of those who have had no such training already. The industrial bureau of the commission is in wide and active correspondence with manufacturers and farmers in all parts of the northern States, to know what workmen or laborers they may need, and in the hope of filling their orders for such people.

The mere fact that such a welcome is extended from the first gives the commission a certain authority over the new emigrant, which will be readily apprehended. They are his friends from the beginning; they show him that they are his friends. He is puzzled and confused in a new country of which he cannot speak the language; these people can speak his language, and he sees at once that they want to be kind to him. If, then, an officer of this organization says to such a man, "I know what I am talking about. You must go to such a place, where they want some one to cut wood, or where they want some one to make the fires in the furnace, or where they need such-and-such a man in rough work in a factory," the instruction becomes almost a command. It is well-nigh impossible for the man to say that he wants to look around him, that he would rather wait and see if he cannot find something better, or to make

any other of the loafing excuses of the emigrant who speaks English, and who feels the "condescension observable in all foreigners" toward the new country where he lands. Such a man as that is generally sure to get rid of the pounds, shillings and pence, or the thalers or the francs, which he had relied upon; it is not till he has got well rid of them that he is good for much in this new world. But the much despised Russian Jew, because he has been kindly treated from the beginning, almost invariably does what he is told to do, goes where he is told to go, and enters thus with favorable auspices on his new career of fitting himself for citizenship.

"I tell them that they must conquer their prejudices. Why, one of them told me that he did not want to work Saturday; that he was prejudiced against working Saturday. I told him he had come to a country where it was the custom to work on Saturday, and that he must accustom himself to the ways of this new country." When the guide, philosopher, and friend who meets a Jewish emigrant feels himself able to speak in language as distinct as this, it may readily be understood that his counsel is apt to be taken.

I was myself at one time at the head of a committee which, in a small way, undertook a similar task, in receiving English girls who wished to become domestic servants. This was before an ill-judged law made it impossible for people to contract for labor in England as they might contract for any other commodity which they wanted. We had an agent in Manchester, who engaged servant girls for New England housekeepers. He engaged them with the understanding that they were to receive two dollars a week for the first six months of their service. It was also understood that the employer should pay forty-five dollars of this in advance, in order that their passage might be paid to Boston and that they might be sent each to the particular home where she was to work. The girl, when she engaged herself in Manchester, signed a document

promising to work for six months on these terms. We considered this rate of wages fair for beginners. We had as many applications from employers as we cared to attend to, and in the summer when we carried on this enterprise we received fifty such young women and sent them to fifty homes. There was but one case, I think, in which the arrangement did not work perfectly well. That was a case where everybody knew from the beginning that there was a risk, and where all parties entered upon the management of a very difficult subject knowing that there was a risk.

I conceive it to be a great mistake that the statute prohibiting contracts for labor abroad should break up any such arrangement as this. It is possible now for a housekeeper in Montana to send to Boston to say that she would like to engage a girl for six months on such-and-such wages. I do not see why a housekeeper in Keene or in Syracuse or in Trenton may not send to the English Manchester in the same way. It is a great deal easier to do it. There are plenty of girls in Manchester who want to come, and both parties are a great deal safer in the contract than they are in the case, where such a contract is permitted, of negotiations between Montana and Boston. One could wish that in the construction of the emigration law, such a case as this might be considered.

The directors of the Israelite industrial school in Boston are perfectly firm in saying that if the emigrant is not fit for work, the true policy is to place him immediately in conditions where he may learn some trade or industry. They assume distinctly that he is not to be permitted to loaf up and down the country asking for work, when he is not able to work. Be prepared to place him either on an industrial farm or in an industrial workshop. Put him in a cigar-shop if you can do no better; apprentice him to somebody if you can do no better; but take care that the first three months of his life in America are spent, even if you have to pay money for it, in preparing him for future usefulness. So far, in Boston arrangements, they have

been able to do this thing. They have taken care that nobody should be sent into the country on a venture; they have always sent their people to correspondents who were willing to take the charge of them and see to them. Of all which the result is that, so far as I know,—and I am in a position where I should be apt to know,—not one of this particular arrival, of four thousand people in two years, has fallen into any poorhouse or even into any House of Correction. The much-dreaded Russian Jew, so far as we are concerned in Boston and New England, because he had been welcomed with wisdom and kindness, proves to be what I may fairly call a model emigrant.

EDWARD EVERETT HALE.

IN the above article Dr. Hale calls attention to one of the much-neglected phases of the immigration problem, namely, how to treat the immigrants after they arrive so as to make them useful to themselves and beneficial to the community. It has been altogether too much the habit of American employers to seek foreign laborers solely for their cheapness, and entirely to ignore the means of surrounding them with elevating social conditions, tending to promote their assimilation to American institutions and civilization; in other words, cheapness in the shop, not improvement in society, has been the controlling motive. Dr. Hale's suggestion that immigrants, if received at all, should be received under conditions that shall insure their greatest usefulness both as laborers and citizens, is well taken; but, as he says, this is but one phase of the emigration question. Another and not less important one is to establish and to apply to the would-be immigrants some economic or social test. The old adage that prevention is better than cure is not without application to this subject. Whether immigrants really benefit themselves and us depends largely upon the kind of immigrants that come, and this must be determined by some rational regulation of their coming,—a matter that we hope to discuss later.

We are compelled to dissent, however, from the contract scheme. Dr. Hale seems not to realize that the contract labor system would not stop with the servant-girls. A few persons, if they were humane and disinterested, with the improvement of the girls mainly in view, might do real good with such a system; but as a matter of fact this is not the motive for contracting with servants in Manchester to come here. It is, as in the factory, to get cheap labor. Such a system necessarily puts the girl, ignorantly and helplessly, at the mercy of an unknown employer for a year or two, as the case may be, in a form of practical slavery. Moreover, it is a method of attracting cheap laborers here by paying their expenses to come. Now, if such a scheme should become at all general it would be a means of getting here the most helpless class of foreign labor, namely, those least able to come unassisted. This is the class which is least desirable, which should be prevented rather than encouraged. If we have immigration at all, it should be on some plan which should bring the best, the most energetic and enterprising and intelligent, without special inducement, and paying their own expenses. We do not doubt that on reflection Dr. Hale will recognize this feature of the subject, and see that, while there is a species of arbitrary discrimination in the anti-contract labor law, as in all restrictive legislation, it is on the whole far more wholesome than any scheme that shall encourage, persuade, and if necessary pay the incompetent of the Old World to come to this country.

—[ED.]

The Ratio of Wages to Profits in Manufacture.

An article entitled "Corporation Profits," printed in the September SOCIAL ECONOMIST, gave the result of an investigation of the amount of dividends and profits of such manufacturing corporations in the State of Massachusetts as have paid dividends in Boston for the past ten years.

There were sixty-five such companies in various kinds of business, including the cotton and woollen manufactures, bleacheries, belting, and machinery. During the ten years from 1882 to 1892, forty-one of the sixty-five companies maintained the same capital; five stopped from failure or other cause; and nineteen had their capital either impaired and replaced, or increased.

The twenty-four companies last mentioned, taken together, made an actual loss during the ten years' operations, as shown by the dividends paid, the cash paid in, and the selling prices of the stock in 1882 and 1892. The forty-one companies which continued in operation with unchanged capital showed an annual average dividend of 4.88 per cent. on the average selling value of the stock, while the selling prices of the stocks in 1882 and 1892 showed their capital to have been impaired, on the whole, during that time; or, in other words, these forty-one fortunate companies (as compared with the twenty-four whose capitals were changed) paid out in dividends during the ten years more money than they earned in that time.

It also appears, as can be seen by reference to the table on page 86, that not only the selling value of these stocks, taken as a whole, decreased during the ten years, but the selling value of thirty out of the forty decreased absolutely, proving that the falling off in value was gen-

eral, and not based on large losses in individual companies. The table also shows that thirty-one out of the forty companies paid between four and six per cent. dividends on the average selling price of their stocks, a fact which indicates that 4.88 per cent. is not only an average of all the dividends, but a fair sample of the majority of the dividends paid. Of the remaining nine companies, five paid less than four per cent. on the average selling value of their stocks, three between six and seven per cent., and only one more than seven per cent.

The object of this article is to prove the proposition that the average profit of manufacture, taking all concerns together, is not greater than the average rate of interest on money, and that only fortunate concerns favorably situated and exceptionally well managed can make a better showing than this. This fact is well known to business men engaged in manufacturing, though it may not be familiar to others.

My investigations show that, for the past ten years, manufacturing corporations under average management have made no more than the average rate of interest. A few corporations, that have exceptional management, can show a somewhat larger profit, and those that are poorly managed, or are otherwise unfavorably circumstanced, either run without profit or lose money.

The figures here submitted have received the indorsement of statistical authorities and have been widely copied in the daily newspapers, and so far no criticism has been made upon them. It is now proposed to carry the investigation further, and to show what ratio the wages paid by these corporations bear to the dividends paid,—the dividends, as shown, having exceeded the amount of earnings.

The table following is substantially the one printed in the article "Corporation Profits." It shows the par value and the market value, in 1882 and in 1892, and the ten-years' dividends of the forty-one companies, omitting

one (the Boston Belting Company), from which I have been unable to obtain further details.

COMPANIES.	PAR VALUE.	JAN. 1, 1882.	JAN. 1, 1892.	TEN YEARS' DIVIDENDS.
Appleton.....	\$ 600,000	\$ 717,000	\$ 345,000	\$ 138,000
Boott.....	1,200,000	2,580,000	1,620,000	924,000
Boston.....	800,000	1,060,000	848,000	520,000
Boston Duck.....	350,000	525,000	562,500	325,500
Chicopee.....	1,000,000	1,900,000	900,000	600,000
Dwight.....	1,200,000	1,920,000	1,800,000	1,068,000
Flint Mill.....	580,000	406,000	609,000	342,200
Hamilton Cotton.....	1,800,000	2,196,000	1,800,000	648,000
Lancaster.....	1,200,000	2,700,000	1,866,000	1,020,000
Lawrence.....	1,500,000	2,700,000	2,250,000	1,365,000
Lowell.....	2,000,000	2,101,775	1,833,333	803,023
Lowell Mch.....	900,000	2,277,000	1,305,000	810,000
Lyman.....	1,470,000	1,719,900	970,200	558,600
Massachusetts.....	1,800,000	2,520,000	1,890,000	1,026,000
Merrimac.....	2,500,000	4,600,000	2,625,000	1,600,000
Middlesex.....	750,000	1,875,000	975,000	765,000
Naumkeag.....	1,500,000	1,890,000	1,590,000	802,500
Otis.....	800,000	1,040,000	1,480,000	800,000
Pacific.....	2,500,000	4,750,000	4,187,500	2,125,000
Tremont & Suffolk.....	1,200,000	2,103,000	1,464,000	738,000
Thorndike.....	450,000	495,000	540,000	342,000
Chace.....	500,000	535,000	500,000	285,000
Crescent Mills.....	500,000	400,000	175,000	167,500
Fall River Manufactory.....	180,000	315,000	216,000	59,400
Granite Mill.....	400,000	1,310,800	960,000	612,000
King Philip.....	1,000,000	1,200,000	1,150,000	490,000
Laurel Lake.....	400,000	376,000	448,000	216,000
Mechanics.....	750,000	862,500	637,500	397,500
Merchants.....	800,000	1,000,000	960,000	480,000
Metacomet.....	288,000	288,000	201,600	44,640
Narragansett.....	400,000	400,000	388,000	230,000
Pocasset.....	800,000	480,000	1,088,000	264,000
Richard Borden.....	800,000	680,000	780,000	368,000
Robeson.....	260,000	234,000	221,000	105,300
Shove.....	550,000	577,500	632,500	294,250
Slade.....	550,000	495,000	330,000	178,750
Tecumseh.....	500,000	660,000	512,500	322,500
Troy Cotton Mill.....	300,000	540,000	585,000	300,000
Union Cotton.....	750,000	1,374,375	1,575,000	1,357,500
Weetamoe.....	550,000	467,500	247,500	178,750
	\$36,378,000	\$54,271,350	\$43,068,133	\$23,671,913

The dividends of these forty companies for the ten years averaged 6.50 per cent. on the par value of the stocks, and 4.87 per cent. on the average selling price of the stocks, being substantially the same result as that obtained with the Boston Belting Company included.

The annual pay-roll of these forty companies amounts to \$16,672,426. The total only is given for the reason that these figures were obtained under promise of stating them as a whole, and not as from each corporation separately; they include all wages paid outside of superintendence, bookkeeping, and selling expenses. The annual amount of the dividends paid by these companies was \$2,367,191.

It appears, therefore, that the amount of wages paid as compared to the amount of dividends paid was as 7.04 to 1. In other words, the total dividends paid by these corporations were only fourteen per cent of the amount paid in wages; and if wages had been fourteen per cent. higher, other expenses remaining the same, there would have been no dividends, and no interest on the money invested in the business.

The salaries of officers and clerks, and the selling expenses and commissions, which are substantially payment for services, are difficult to ascertain; but I am informed that in the cotton manufacturing industry they amount to substantially fifteen per cent. of the wages paid. Assuming this to be correct, the proportion of payment for service by these companies, including what is generally termed wages and the salaries above stated, would bear a relation to dividends of 8.10 to 1, so that an increase of twelve per cent. in the cost of all these services would leave no interest for capital invested.

The reason that the percentage of dividends to wages is higher in corporations like those named, that have large plants in buildings, machinery, etc., on which interest must be paid, is that such corporations have a larger investment of capital per hand employed than those in other lines of industry.

For instance, I have the following figures from three companies manufacturing shoes, all representative and prosperous concerns, whose names I am not at liberty to give, but whose figures are vouched for. These three

concerns pay in wages \$1,100,000 per annum. Their average dividend is less than \$90,000 per annum. The proportion of wages to dividends is therefore as 12 to 1 ; if the wages had been 8.33 per cent. higher, there would have been no interest on the capital invested.

If the cost of supervision, accounts, and selling is the same in proportion to wages for these concerns as for the others (and in my judgment it is not materially different), the amount paid for services as compared with the amount paid for profit would be about as 14 to 1.

It would be exceedingly interesting to carry this investigation further and into all lines of business ; but it will suffice for the purpose of this article to make the apparently safe assumption that the average proportion of wages paid to dividends received is that indicated by the detailed statistics furnished by the forty companies under consideration, or 7 to 1 ; and further, that the average of dividends received is not above the general rate of interest on capital loaned.

Now, if the facts established in the case of these corporations are to be accepted, it is of the gravest importance that they should be fully understood and appreciated by our people, as certainly they are not at present, for there is a widely extended feeling that labor is not receiving its fair share of production, and that the profits of capital, particularly in manufacturing enterprises, are unduly large. This feeling appears to exist, not only among wage-earners, but among the makers of public sentiment, clergymen, college professors, newspaper editors, and writers.

If it is true, taking averages into account,—as they must be taken into account in general calculations,—that labor receives all of the profit of business except the ordinary payment for services of management and the ordinary rate of interest on capital invested, it is evident that the proportion of the division cannot be changed by increase of wage-payment without attacking, not merely the rate of

profits in manufacturing, but the general rate of interest throughout the country, or the general rate of compensation paid for management and selling.

The question of managing and selling is simply a question of the price of labor of a different kind, and it is very evident that the kind of ability here employed cannot be secured without substantial remuneration.

The question of interest is a much broader one than the question of the profits of manufacture. Few, except extreme socialists or anarchists, are as yet ready to favor the abolition of interest. If it could be abolished, there would be no inducement for the transaction of business of any kind by the individual, and no other means for insuring production and distribution but a socialistic arrangement of some sort, in which the state should be the employer and all the people the employed.

The figures given seem to show that, under the present organization of society, in which business is carried on by private enterprise, the margin, if there is any, for lessening the share of capital in the profits production, is small; under any possible socialistic arrangement, the lack of personal interest and ambition, now manifested by the most able men, would probably cause a loss to the laborer far greater in amount than the share of the profits of production now appropriated by capital as interest.

It may be a matter of regret to us all that laborers are not better conditioned, but regret will not increase the amount of production, or give to laborers more wealth. It has become customary, in discussions of this question, to assume that capitalists and employers are privileged, and the poor are treated with injustice, and that large profits accrue in the transaction of business,—particularly manufacturing business,—the principal part of which the capitalist in some way obtains.

Now, if an evil exists, it is well to ascertain what it is, and what its extent is; if it does not exist, we waste our time in attempting to remedy imaginary troubles. If the

laborer receives all he produces, and in many cases more, he is certainly not oppressed or unjustly treated, and cannot be benefited by the overturning of the foundations of society.

The calculations here made are intended to be, and it is believed are, correct and fairly stated. Referring again to the table, it may be said that these stocks, even in spite of their loss of value during the last ten-years, still average above par, showing that at some time there may have been an excess of profit above dividends paid. This was occasioned in some instances by the investment of additional capital; in others by the acquiring of property at less than its value (as in the case of the Union Mill, Fall River). There is, however, no doubt that the business conditions of to-day are much more stringent than in former years, when mills were enabled to pay larger dividends and to have a surplus left for investment in new buildings and machinery, or in quick capital. But the increased intelligence and organization of labor has been constantly pressing on the profit line, until to-day labor has won all the margin above interest, save in a few exceptionally situated concerns, or those controlling specialties or making patented articles.

The labor organizations know substantially as well as do the manufacturers the cost of articles of standard manufacture, and if a favorable turn in the market allows any additional profit, a demand for increase of wages is very certain to follow; a reduction, however, under reversed conditions, is not as readily accepted. The point now seems to have been reached where this course must be acknowledged necessary, for business cannot be transacted for any length of time under good management without producing the common rate of interest on capital.

It may be said that some concerns, owing to exceptionally good management, succeed better than most others, and are enabled to make a profit above the rate of interest. Such must always be the case so long as differences in circumstances or differences in men's abilities exist; but it

can no more be expected that a management, proved by success to be particularly sagacious, will pay better wages than others than that such a management will pay more for material or other current expenses. The profit made by individuals or corporations simply gauges their ability or good fortune,—the latter if temporary; the former if continuous.

This subject is worthy of further investigation and careful consideration. It will not advance the cause of truth, or help us to arrive at facts, merely to assert, as is frequently done in political campaigns, that such statistics as the above have been prepared by a manufacturer, a man who to some extent may be considered a capitalist. They must be disproved as facts or accepted as facts and treated accordingly.

How, then, if labor now receives its full share of production, can the condition of the mass of the people be improved? In the first place, we should prevent it from becoming worse, and this may be done, in a country like ours, by preventing competition with a lower civilization by protective tariffs and restriction of immigration. It is only by increasing production that the people's condition can be substantially improved. More to divide means more for each party to the division. Labor-saving inventions, which have so wonderfully increased production in the last century, form the principal lever of material progress, both for society as a whole and for individuals. Every device which enables us to produce with less labor leaves labor free to be employed in the production of other articles, which increase the comforts and luxuries, not only of the few, but of the many.

Labor-saving improvements, improved organization, larger plants, and other expedients, are adopted by employers for their own advantage; but they are thus restricted only until they are generally adopted; then the community as a whole derives benefit from them in lower prices, unless the laborers have taken a part of it in in-

creased wages while the profits were temporarily high. Such changes are constantly increasing and cheapening production, and meantime wages have risen and profits have fallen, till the latter are substantially eliminated in business subject to competition, leaving only ordinary interest as the reward to the investor.

Our laborers in this country to-day are better off than they ever were before, or than laborers ever were in any country or in any age of the world. They have the political power, and if they act in unison, the continuance and increase of their prosperity rests in their own hands. The result of the recent election makes it evident that the majority of them do not realize their great interest in the question of protection; and many of their speakers and their journals are equally in error on economic questions of even greater importance. It is desirable for us as a people, and particularly important for those who teach, or undertake to teach, the people, to ascertain facts and to be governed by them and not by prejudice.

WILLIAM F. DRAPER.

In the foregoing article General Draper has made a much-needed contribution to the discussion of wages and profits. There is no error more prevalent to-day than the notion that capital, and especially manufacturing capital, is receiving enormous profit. Gross misrepresentation on the subject has been greatly stimulated by political motives. In order to stir up antagonism to protection, free traders and Democratic writers and speakers generally have indulged in reckless assertions about the monopoly and robbery chargeable to manufacturers on account of their exorbitant profits. Edward Atkinson, in his *New York Times* articles, contributes to this delusion by saying: "There are iron-masters in the State of Pennsylvania whose single incomes in a single year have exceeded the whole sum earned by the protected iron-miners." Such statements as these from public men and so-called statisticians strengthen the belief among socialists announced

by Karl Marx, that laborers are robbed of half their earnings. The utter fallacy of this position, and of the clamor against American industries based upon it, is conclusively established by General Draper's investigation, which shows that profits, if reduced to anything like a general average, only equal the average rate of interest; and that wages are eight times as much as profits.

There is one point, however, upon which we fear that General Draper is a little liable to be misunderstood. He intimates that an increase of wages would blot out both profit and interest for capital, and would therefore be fatal to industrial progress. It would almost seem from this that he not only thinks there is no injustice done laborers in present economic relations, but that wages have reached the maximum point. Of course, such is not the case, nor can we think General Draper intended to convey that idea, but rather to show that in the distribution of the profits of what is being produced capitalists do not get the lion's share; that is to say, no general injustice is done to workingmen. The same thing has been said repeatedly during the last fifty years. The aggregate profits were not more exorbitant fifty years ago than they are now, and a manufacturer might, and in fact hundreds of them did, say that a rise of wages was impossible without ruining employers, because the margin of profit was so small. But we all know that wages have doubled since then, and manufacturers have not been ruined, but are richer than ever.

While it is highly important to avoid the fallacies of socialists, single-taxers, and free-traders in assuming that successful manufacturers get rich mainly by unjust exactions on their laborers, we must beware of falling into the opposite error of thinking that no further rise of wages can take place without injury to capital. Were this true we might well lose faith in all further progress. There is no reason why real wages should not rise as much in the next twenty years as they have in the last sixty.

Of course General Draper is right in saying that any considerable rise in wages must be accompanied by an increase of production and the use of still more improved methods, as it always has been. But we must remember that the most potent of all forces in society for promoting the use of improved methods is a greater demand for the products by the masses, which advancing wages alone can furnish.

We heartily agree with General Draper that we must first of all protect the standard of wages we now have, but this should be only a preliminary to stimulating all social influences that tend to raise the laborers' standard of living, increase their wants, and make higher wages necessary; because that is the real economic force that brings improved methods and all their accompanying advantages. Dollar-a-day laborers gave us small manufacturers, three-dollar laborers produced millionaires, and six-dollar laborers will bring billionaires. No, no; a general rise of wages will injure the capital of no country if adequate protection is vouchsafed to its industries.—[ED.]

The Standard of Living of English Workers.

In Britain the standard varies greatly, not only between different grades of workers, but also between the same class of workers in different districts; still it is possible to strike averages if we classify them into the three grades of skilled workers, handy-men, and laborers. First, treating adult male workers as a whole, wages vary between 15 shillings and £5 a week, the latter figure representing the high-water mark of the most skilled and fortunate mechanics, not more than five per cent. of whom, probably, get £5 a week. Of course, there are some who earn higher wages, such as the exceptionally situated iron and steel workers, but it would be misleading to quote these as ordinary wage-earners. Taking a half-dozen representative cities, such as London, Glasgow, Liverpool, Manchester, Birmingham, and Sheffield, the average working hours per week for skilled mechanics would be 53, and the average wages for these men would be 38 shillings; handy-men at all trades, a large proportion of the total, would average 30 shillings; while laborers would average not higher than 21 shillings weekly. This latter figure represents the average wages of the skilled operators in the Yorkshire textile trade, but Lancashire is considerably higher.

According to the evidence submitted by members of the Amalgamated Engineers before the Labor Commission, the average rate of wages paid to their members and the average rent paid by their members in the towns mentioned was as follows: London, wages 38 shillings, rent 9 shillings weekly; Glasgow, wages 36 shillings 6 pence, rent 5 shillings; Liverpool, wages 34 shillings, rent 7 shillings 6 pence; Manchester, wages 34 shillings, rent 5 shillings 6 pence; Birmingham, wages 34 shillings, rent 5 shillings 6 pence; Sheffield, wages 36 shillings, rent 5

shillings 6 pence. The only district where wages were given as higher than those mentioned was Enfield, where the average wages are 40 shillings 6 pence, and the rent 7 shillings 6 pence a week. The kind of house occupied depends upon the intelligence and taste of the workman, as well as upon his wages, but in London rent may be said to vary between 4 shillings and 15 shillings weekly. For 4 shillings one room only can be obtained, and it is not an uncommon thing for a respectable married couple with a child to have one room only. When wages are not less than say 26 shillings a week, at least two rooms are occupied, at an average rent of 5 shillings 6 pence a week in London, but by far the more common practice is to take a half house, consisting of three rooms, scullery, etc. This is the maximum house accommodation of a very large proportion of London families; the rent varies from 6 shillings 6 pence to 7 shillings a week, and an additional expenditure of about 1 shilling 6 pence a week is necessary for rail-fare in going to and from work. The best paid workmen live in seven or eight roomed houses averaging £28 a year rent, and about £8 rates for fares, or in round numbers, 15 shillings a week.

In order to convey a clear idea of the average type of London mechanic, I will endeavor to describe his position, and show how such a man spends his time. It is the general practice in London to commence work at 6 A. M. The workman must therefore rise about 5:15, to allow time to take the train and reach his place of work. Very few get a paper so early. On their way to the station, they get at a stall a cup of coffee and a piece of cake costing a penny. From 8:30 until 9 is breakfast, during which it is usual to sit in groups, and take turns reading the morning's news aloud for the common benefit, one paper thus serving for a dozen. The sporting papers are taken in larger numbers. Dinner, as a rule, is from 1 to 2 o'clock, and as few of the workmen are within reach of home the cookshops are largely patronized. A good plain dinner can be ob-

tained for 8 pence, consisting of a cut from the joint of roast beef, mutton, or pork, two vegetables, and one sweet; about half of the men add to this a half-pint of bitter, costing another $1\frac{1}{2}$ pence, and after eating smoke and chat for the rest of the hour. Work is finished at 5, when they travel by workmen's train home, where a more or less substantial meal is in readiness. The evening, of course, is spent according to the mental make-up of the man.

It may be taken as a general rule that, even where three rooms only are occupied, one of these is set apart as a best room, to be used only on Sundays and special occasions. If the family is large, it may contain a bedstead, but this will be folded up during the day. The front or best room is almost invariably well carpeted; the kitchen, which is used as a general living-room, is usually covered with oilcloth, and strips of carpet will probably be laid on the bedroom floor. A determined struggle is always made by the housewife to keep her best room pleasant, neat, and useful; if, instead of the usual three rooms, they could have five, it would materially increase their comfort. The class of man I am describing at present does not allow his wife to work in the southern towns; but in the north, both in Yorkshire and Lancashire, it is a common thing for the women to go out to work, especially if the family is small. In Leeds, for instance, it is usual for the married women to work, and the effect is observable in the wages paid. In London, where women are not generally wage-earners, the wages of the men are 9 shillings a week higher for the same kind of work than in Leeds, where women are among the workers in the mills, factories, and workshops. Further north, reaching Durham and Northumberland, it is again a rare thing for women to work for wages, and the men's income is relatively high.

One of the worst phases of our modern industrial life is to be found in Yorkshire, especially in the Bradford and Keighly districts. Skilled men weavers do not average more than 17 shillings a week, and this means that every

member of the family able to work must contribute to the family's income. In Bradford district alone no less than 6,000 half-timers are employed, and trade unionism is very weak, only about one-eleventh of the adult workers being organized; in Lancashire, where probably 90 per cent. are organized, wages run from 50 to 100 per cent. higher.

In fairness it is necessary now to state that during the past two years a most commendable activity has been exhibited by the workers of Bradford district and similar low-wage districts in Yorkshire, but as yet it has not effected a material addition to the number of trade unionists, and unless this result is accomplished efforts in other directions must be transient and comparatively feeble.

Perhaps the most interesting workers of London are the dock laborers. Including lightermen, who navigate the barges, and the men who load and discharge and warehouse and re-deliver the goods, their total may be put at 50,000 men. They are known by many different names and belong to different trade unions; for instance, there are lightermen, stevedores, dockers, cralies, ballast-heavers, carmen, and others. The average wage of the whole 50,000 would not exceed 23 shillings per week per man. Many get as high as 36 shillings, and therefore many get much below the average; indeed, squalor the most abject prevails in East and South London, and all the forces that have been directed against it have as yet had little perceptible result. Undoubtedly the work of the trade unionists has been effective, especially as it has caused the London County Council to recognize and to comply with trade union requirements, as to hours, wages, and conditions of labor, so that the general standard now accepted by the Council is 24 shillings a week for 48 hours' work for laborers, this being the minimum, upon which a laborer can barely cover expenses in London. But in South and East London many thousands of laborers average not more than 14 shillings a week the year round, and their wives contribute to the household funds by doing

charring, or sack or rope-making. There are whole districts yet, however, where the most appalling poverty is absolutely dominant. This poverty is largely caused by the intermittent character of the employment in many London trades. Never before was the poverty problem attacked with such earnestness and from so many sides as now. The change that has come over England during the past two years is marvelous, and men and women from all classes of the community are honestly inquiring into the root causes of the evil, with a view to contributing to its solution. I do not intend to imply that apathy is a thing of the past; it is still existent, but the above statement is nevertheless true, and herein lies our hope for the future. We whose work it is to try to raise the standard of living desire to see every other country raise its standard also, and we observe much more closely than they probably imagine what the reformers of America are engaged in. Every success gained there helps us. Within three years we shall have made considerable advance in this country. We are working through, first, the trade unions; second, the co-operative movement; third, the municipalities; and fourth, Parliament. In a few months we shall probably have the help and stimulus of a labor department, and shall be able to learn from American experience.

TOM MANN.

An English View of "the American Tariff."

England is the mother of modern industrial methods and also of current economic doctrines. She gave the world the factory system, and concurrently developed a new school of economics. From causes already referred to in these pages,* England became largely dependent upon foreign markets for the sale of her factory products. Before the middle of this century these industrial conditions led to the adoption of the free-trade policy. The fact that she was the leading commercial country and had developed the most specific economic theories naturally made her, if not the mistress, at least the leader of the world in both methods of production and economic policy. The scholarship of the modern world, therefore, for three-quarters of a century, has been dominated by English economic thinking, with the natural consequence that free trade is everywhere accepted by the educated classes as the true theory of trade, any departure from this policy being treated as crude, unscientific, and purely local and empirical.

We have made bold to challenge this position as scientifically and sociologically incorrect.† It may have been expedient, and even necessary, for England to adopt a free trade policy in 1846, but that necessity was due to a previously mistaken policy arising from her empirical and altogether too narrow treatment of economics. Like most makeshift expedients, it worked well for a time, but, not being based on true sociological principle, was sure to prove defective, and finally to produce a reaction.

As we have more than once pointed out, protection is a sociological principle, to which all competitive types of existence must conform or die. In whatever form it shows itself, it is simply the means of guarding higher types

* Edward Atkinson's Economic Methods, *SOCIAL ECONOMIST* for October, 1892, pp. 230-231.

† Gunton's Principles of Social Economics, Part IV., pp. 283-361.

against the injurious influences of lower types, and therefore is needed only by more advanced countries as a defense against the barbarous methods of those less civilized. Had English economists recognized this principle, her statesmen would have realized that the time might come when she would be compelled either to return to protection, or to give up her industrial and commercial supremacy. England is rapidly approaching this position; she has no longer the monopoly of machinery she had in 1846. As fast as other countries develop any considerable demand for manufactured products, they import English or American machinery and themselves supply the demand; and, with their lower wages and modern machinery, they are able to produce at less cost than England or America can, with higher wages. Unless the continental scale of wages tends to approximate that of England, as soon as continental capitalists employ English and American machinery, England will be forced either to have recourse to protection, to equalize the difference in wages, or to surrender her trade to other countries. Indeed, this process has been silently going on for some time, and the results are now beginning to be realized.

In the November SOCIAL ECONOMIST we printed copious extracts from an article in *Blackwood's Magazine* on the "Industrial Decline in Lancashire."* It will be remembered that the writer showed conclusively that not only was there a most alarming decline in the growth of new industries, but that old industries were departing and whole towns decaying; in short, that Lancashire was losing its industrial supremacy.

This general fact is naturally making an impression upon English thought. Although no publicist of standing has yet openly declared against free trade, there is a growing tendency to recognize the economic respectability of protection. The writer in *Blackwood's* pointed out,

* See Future Location of Cotton Industries, SOCIAL ECONOMIST for May, 1891, p. 150, Vol. I.

although with lamentation, that other nations, and especially America, had acquired an advantage over England by their protective policies. We now have a much stronger admission in the same direction from the *Fortnightly Review* for December, in an article on "The American 'Tariff.'" Of course, the writer in the *Fortnightly*, Mr. J. Stephen Jeans, is a free-trader. For this reason his testimony in favor of protection, however reluctantly given, is the more significant, and it may be the more readily considered by our free trade friends like the *Evening Post* from the fact that it is English. He begins by saying:

"The decision that Grover Cleveland shall be once more the President of the United States and that the Democratic party shall once again control the destinies of that nation may be accepted as an earnest of the determination of the American people to fling aside the crutches of protection and rely on their own unaided strength for all time to come. It is natural that this decision on the part of so important a contributor to the manifold requirements of the United Kingdom should inspire feelings of hopefulness almost akin to jubilation. A very large section of the manufacturing and commercial population of these isles appear to have been imbued with the conviction that if the United States were only to return the Democrats once more to power, the tariff would be got rid of, *and British products of manufacture would pour in upon the market of that country like a flood.*"

While, by way of warning his countrymen against expecting too much from Democratic administration, he adds:

"The victory, however, is by no means so complete as it would appear on the face of the situation. . . . No government is likely at present to be strong enough to sweep entirely from the statute-book all protective tariff and establish a tariff for revenue purposes alone. . . . 'All government,' says Burke, 'indeed every human benefit and enjoyment, every virtue, and every prudent act, is founded on compromise and barter.' So it is cer-

tain to be, for a time at least, in the United States, and this principle may, indeed, be carried so far as to disappoint the not unreasonable hopes of the people of this country that the greatest market in the world, and probably in the world's history, is once again to be found lying at the feet of British industry and commerce. Apart from these considerations, however, it requires, I think, unusual temerity to allege that the tariff system of the United States has been a failure—for that country. America has for many years enjoyed an amazing degree of prosperity, so much so, indeed, that, to use again the eloquent words of Edmund Burke, 'generalities, which in all other cases are apt to heighten and raise the subject, have here a tendency to sink it. . . . Fiction lags after truth, invention is unfruitful, and imagination cold and barren.' There is no need again to relate the thrice-told tale of how the United States, largely ruined by the War of Secession, with an army in the field of over a million men, called from industries and agriculture to arms, to the partial paralysis of both these interests, with an accumulated debt of over 1,200 millions of dollars, and with credit almost destroyed, has in little more than twenty years become by far the richest country in the world, with teeming industries throughout the length and breadth of the land, with debt almost extinguished, with an enormous balance in the treasury, with credit of the highest order, and with prospects that are difficult to rival and impossible to excel."

After an elaborate discussion of the striking progress made in diminishing our indebtedness, in which he shows from the census of 1890 that since 1880 our public debt "has been diminished 229 millions, while the debt of the rest of the world had increased in the interval by 465 millions," all of which is amply supported by elaborate and conclusive statistics, he continues:

GROWTH OF MANUFACTURE.

"Manifestly, one of the best general tests to apply to the question of how far there has been a development of man-

ufacturing industry, relatively to other occupations, is that of the percentage of the whole population engaged in production. In the United States as a whole, in 1880, there were 15.3 per cent. of the population engaged in agriculture and only 7.6 per cent. in manufactures, as compared with 23 per cent. engaged in manufactures, and 7.5 per cent. engaged in agriculture in the United Kingdom. In Belgium, which is a remarkably prominent industrial state, the corresponding totals were 14.6 per cent. in agriculture and 17.2 per cent. in manufactures; and in France 18 per cent. were engaged in agriculture and 12 per cent. in manufactures. Ten years ago, indeed, the United States were very backward, as compared with most European countries, from a manufacturing point of view. In the interval there appears to have been a process of revolution going on, for most of the principal cities have largely increased the numbers of their total population engaged in manufacturing industry. In New York, that percentage has increased from 18.8 to 23.1; in Philadelphia, from 21.8 to 24.1; in Buffalo, from 11.5 to 19.2; in Rochester, from 15.7 to 24; in Chicago, from 15.7 to 18.5 per cent.; and in Cleveland, from 13.1 to 18.4. Taking the eight northern and New England cities already tabulated, it appears that, in 1880, 19.9 per cent. of the whole population were engaged in manufactures, and that in 1890 this figure had increased to 23.7 per cent. In the Middle and Southern States the increase does not appear to have been so marked as might have been expected, but still in the few cities above tabulated (Table II), the proportion has advanced from 13.6 to 16.5 per cent. In the case of one small town—Lynn, near Boston—no fewer than 34.5 per cent. of the total population were actually engaged in the work of production, a percentage that very few towns, even in the manufacturing districts of England, could equal.

“An analysis of the absolute number of hands employed in manufactures in the cities already named discloses some very startling figures. In Buffalo, the manufacturing

population has, in the ten years dealt with, increased by 144.6 per cent.; in Rochester, by 116 per cent.; in Chicago there has been an increase of 143 per cent.; in St. Paul, of 210 per cent.; in Cleveland, of 118 per cent.; in Kansas City, of 434 per cent.; and in Denver, of 223.8 per cent. The claim of the New South to be considered a serious participator in American manufacturing industry is supported by the fact that the manufacturing population of Nashville has increased by 43 per cent., and that of Atlanta, Georgia, by 92.9 per cent. *Ex uno disce omnes.*

INCREASE OF WAGES.

“What, however, is probably most of all remarkable in the recent census returns of manufactures, is the fact that between 1880 and 1890 the actual advance of wages paid in manufacturing industry has increased to a larger extent than the increase which took place in the previous thirty years. This appears to be so startling a statement that it might be deemed to be altogether incredible were it not supported by the sober and unbiased testimony of a census report. But whatever interested motives may come into play in the case of a single industry or individual, in making statements of wages, there is little or no reason to suppose that any sinister motive could possibly be allowed to interfere with the veracity of census agents in census reports; nor is it easy to conceive of any adequate motive that could induce the manufacturers of the United States as a body to make returns that are unworthy of credence. It is, indeed, notorious that of late years there has been a large rise in wages paid in manufacturing industry all along the line. In some special cases the wages paid appear to be more than equal to the incomes of professional men of fairly good standing in this country, and they would be esteemed absolutely handsome if enjoyed by professional men on the continent of Europe. The strike at Homestead, on the part of Mr. Carnegie’s men, took place against a proposal to vary the terms of an arrangement under which a comparative handful of men were enjoying incomes of

£300 to £400 a year, and that, too, for manual labor that was not remarkably difficult or skilled. In 1880 the average wages paid per employee in the manufacturing industry of the eight northern cities above tabulated was \$397, or about £80. In 1890 the average had risen to \$579, or about £113. In the interval there was an increase of \$182, or nearly 47 per cent. Let us compare these averages with those of the previous years. In 1850 the total number of hands employed in American manufactures was 955,000, and their average wages amounted to \$250, or rather over £50. In 1880 the average of the 2,719,000 hands then enumerated as similarly employed was returned at \$350, or, say, about £70; so that in the interval there had been an increase of average earnings to the extent of 40 per cent. So far, therefore, as the figures allow a judgment to be formed of the situation, it appears that in the last decade the average increase of wages was 7 per cent. more than the average increase for the previous thirty years. The cities of the North, where manufacturing industry has been the longest established, appear to pay a considerably higher rate of wages than the cities of the West and South. In New York, for example, the average of 1890 was \$650, or £130 per annum, whereas in Chicago the average was not more than \$586, or £118 per annum. Denver has the highest average wages of all the cities tabulated, rising to \$776, or £156 per annum, an increase of income that may go to compensate to some extent for the risk to human life involved in the habit of 'shooting around' which is said to be characteristic of that advanced community. Even in the textile industries, which have, on the whole, pursued a tolerably even tenor during the last ten years—although, of course, making large headway, like other manufactures—the official returns show an average of \$332 per employee in 1890, as compared with an average of \$242 in 1880, or an increase of 37 per cent. Other figures, which might be multiplied to any extent, support the same general conclusion, namely, that what-

ever else the tariff has done, or has failed to do, it has at any rate permitted a higher rate of wages to be paid in 1890 than in 1880.

“It is not, however, to be assumed that the increase which has undoubtedly taken place in the average rate of wages paid is entirely due to the American tariff. Probably, if the tariff had not been in operation, the competition in manufactures from outside countries would have made it impossible to pay so high a rate of wages; but the American States carry on a very active and a very real competition among themselves, and they are bound to look to the keeping down of wages, as far as they can, in the rivalry of one district against another. Finding that high wages must be paid, in order to provide for the higher cost of living, and keep the working-man in a good humor with the fiscal arrangements of the country generally, the American manufacturers work with might and main to make that labor as efficient as it can possibly be made. This has been secured in a remarkable degree by the introduction of labor-saving appliances of every kind. As a consequence, the increase of wages already shown to have occurred has been accompanied by a considerable increase in the annual value of the product obtained per employee. The census returns, indeed, show for the eight northern manufacturing cities already tabulated (No. I), that the average value of the *per capita* product was \$1,648.50 in 1880, and had advanced to \$2,136.50 in 1890, being an increase of \$488, or about 30 per cent. Hence it would appear that an advance of wages to the extent of about 47 per cent. has proceeded, *pari passu*, with an advance in the average value of the product to the extent of 30 per cent.; but, of course, when we come to absolute figures, it appears that the average value of the product shows a much larger increase than the average rise in the wages paid. This fact explains how it happens that wages have increased concurrently with a general fall in the value of the prices of commodities, and with a greatly enlarged

and increasingly prosperous business on the part of manufacturers.

FALL OF PRICES.

“There appears to be a general impression in this country that the McKinley tariff has had the effect of increasing the prices of commodities generally. No doubt it has had that tendency as regards certain important productions, but the general course of prices has been downwards for a comparatively long series of years, and neither the McKinley tariff nor any other legislative measure or proposal has been able to arrest this movement. The official records of prices in the principal markets of the United States show indubitably that there has been a considerable fall within recent years. Only one or two examples need be cited. In the New York markets, wheat (red winter) has fallen from \$1.27 per bushel in 1880 to 98 cents in 1890; beef has fallen from \$10.44 per barrel to \$6.96; lard has fallen from 7.91 to 6.33 cents per lb.; medium wool has fallen from 55 to 37 cents; and standard cotton sheetings have fallen from 8.51 cents to 7 cents per yard. These are substantial reductions, and falling, as they do, coincidentally with a great increase in the earnings of labor, go to show that the condition of the working classes of the United States during the last ten years has been greatly ameliorated, whatever complaints and statements to the contrary may have been made.

“Nor has the United States suffered in the direction that the tariff reformers appear disposed to think should have happened, namely, in that of contracted foreign trade. On the contrary, the imports of commodities into the United States between 1880 and 1891 increased from 667 to 844 millions of dollars—an increase of 177 millions; while the exports of home or domestic merchandise increased from 823 to 872 millions of dollars—an increase of 49 millions. These unitedly represent a larger increase than has occurred within the same interval on the part of any other country in the world. And what is perhaps

more important is the fact that although agricultural produce is, and probably will always remain, the staple trade of that country, yet there has been a sensible increase of late years in the exports of what are described, in the official 'Report on the Foreign Commerce of the United States' as 'the products of manufacture.' In 1880, 83.2 per cent. of the total American exports were agricultural, 9.6 per cent. were products of manufacture, and 7.1 per cent. were products of forests, fisheries, and mining. In 1891, however, manufacturing products had risen to 19.3 per cent. of the whole—having more than doubled—while the exports of agricultural products had fallen to 73.7, and of other products to 6.9. This is surely not a bad record for a country that has adopted protection to home manufactures on such a large scale.

"Enough has probably now been said to show that the American tariff, however mistaken it may be from an English point of view, and however inapplicable its operations might be to the totally different circumstances of the mother country, does not appear to have been a particularly bad thing for the Americans themselves."

The Month's Doings.

“Genius is a gift, but character is made.”

The tendency in the direction of the eight-hour day is illustrated in the reports that the Philadelphia steam-fitters, the Chicago silver-gilders, and the Orleans (N. Y.) tanners have fixed their working-day at nine hours; that the Chattanooga moulders have secured eight hours; and that the Brooklyn shoe-salesmen have organized for the purpose of early closing. The clerks of St. Louis are waging a vigorous warfare for the same purpose, which is practically making a demand for shorter hours. The importance of organization will be appreciated when it is learned that by its means the eight-hour day was secured in Indiana for 2,600 men and the nine-hour day for 2,200.

Mr. Giffin, the British statistician, says that in many cases the adoption, for the gas stokers, of three shifts of eight hours per day, instead of two of twelve hours, has taken place without any reduction of wages, and that frequently the reduction of hours has been coincident with an increase of wages. This would undoubtedly be the case if a universal eight-hour day were adopted; the beneficial result of the movement is being observed by employers in England as well as here; for two of the largest manufacturing concerns there announce that they would not, under any circumstances, return to the system requiring ten hours or more for a day's work.

Woman stenographers have invaded the parliaments of Norway and Sweden, where they will henceforth be employed. We note that Brooklyn has a school of carpentry for women, and that a young woman in Cornell College is studying veterinary surgery. It is to be hoped

that the women who enter the carpentry school, as well as the prospective surgeon, have the necessary qualifications for their chosen line of work, and are not deluded by the idea that simply by doing what men do they will obtain equal wages. The knowledge of carpentry, however, is requisite for women who intend to become practical architects.

The southern colored man may now have the opportunity of testing the influence of contact with white wage-earners as a means of raising his standard of living, for it is reported that a rim and hub factory is about to be established in Naskuka, Miss.; the Durham Steam Foundry at Durham, N. C.; a saw-mill at Elizabeth City, N. C., and one near Mobile; a chair factory at Newport, Tenn.; a cordage factory at Anniston, Ala.; a safe factory and warehouse at Savannah, Ga.; a crate factory at Senoia, Ga.; and a trunk factory at Petersburg, Va. White wage-earners must of necessity be brought to these several points.

Not a day passes without some successful movement toward a higher standard of living for the laborer. Just now we have in mind the glass-blowers at Muncie, Ind., who won in a strike for higher wages, and the newspaper and book compositors in Ottawa, Ill., who have succeeded in so raising their scale that men who have for years got \$5 and \$7 now receive \$10 and \$14 per week; and the woman shirtmakers of Boston, while not striking for higher wages, have been able to hold their own against a proposed reduction.

The woman diamond-cutters in Geneva are described as "*très intelligentes*," and for the same work as that done by men receive the same rate of compensation, from \$10 to \$15 per week. This is no reflection upon our employers, only proving that the standard of living of men and

women, in this class of industry in Geneva, is on the same plane. When like conditions prevail here, we shall have a like result.

It is reported that when the Legislature of Missouri convenes a bill will be introduced providing for the regulation of the social evils in all cities having a population of 100,000 or over. The only way to regulate or eliminate social evils is to make the social environment as attractive as wholesome, and so give opportunity to those who would really rather do well than ill.

It is evident that in the near future electricity will supersede horses on the surface railroads, and rapid progress toward that end is shown by the fact that Peekskill, N.Y., Vicksburg, Miss., Brattleboro, Vt., Middletown, N.Y., Chattanooga and East Chattanooga, Tenn., have been added to the number of cities which have already adopted some electric system.

Taking a retrospective glance we see that in the year 1313 eggs sold in London at threepence for two dozen; at the present writing they are about thirty cents per dozen. This is in accordance with economic law; for all products of the farm being mainly dependent on hand-labor, the tendency of prices is to rise with the rise of wages.

To learn that women perform the work of horses in the Belgian coal mines, and that a factory girl at Czernowitz, Austria, was sentenced to six weeks' imprisonment for trying to organize a union of her trade, should furnish incentive enough for thorough organization in order to extend civilization to such benighted countries.

While speaking of agricultural products, we note that the culture of cotton has been successfully introduced into Fitchburg, Mass., and that a lady in Itaska, Fla., raises her

own tea. Owing to the rapid growth of the bushes she is obliged to cut them every three or four years, while in China this is done only once in seven years.

It is reported that Jerusalem, which is still supplied with water from Solomon's Pools through an aqueduct built by the Crusaders, is celebrating its first boom and the establishment of its first railroad. What would Jeremiah say? Surely he would rejoice that his beloved city is no longer to remain in midnight darkness.

It is reported that in Chicago alone there are 20,000 women and children employed under the "sweating system." It is time opposition was aroused, as reported in Boston, New York, and elsewhere, against a system which transforms the home from a place of rest and social intercourse into a workshop.

We are enabled to estimate the advantages in this country for the laborer when we learn that street-car conductors receive only 62½ cents for a day's work in Berlin, and the day is eighteen hours long, with a half-holiday only once in two weeks.

It is gratifying to learn that the territorial legislature of New Mexico has passed a bill prohibiting corporations from paying employees in scrip or orders on stores. A laborer is worthy of his hire in sound cash.

It is interesting to note that the first pig-iron in this country was successfully made at Colebrookdale, Pa., about 1725; and that 1,500,000,000 cedar shingles were shipped east from Washington this year.

Along the line of progress we learn that twenty-six new corporations, with capital ranging from \$30,000 to \$1,000,000, have been established in eleven different States.

C. S. ROBINSON.

Editorial Crucible.

Correspondence on all economic and political topics is invited, but all communications, whether conveying facts, expressing opinions or asking questions, either for private use or for publication, must bear the writer's full name and address. And when answers are desired other than through the magazine, or manuscripts returned, communications must be accompanied by requisite return postage.

The editors are responsible only for the opinions expressed in unsigned articles. While offering the freest opportunity for intelligent discussion and cordially inviting expression of well-digested opinions, however new and novel, they reserve the right to criticise freely all views presented in signed articles, whether invited or not.

HENRY GEORGE is naturally rejoiced over the attitude of the pope in Dr. McGlynn's case. His recent attack upon the pope's encyclical "on the conditions of labor" he now confesses to have been ill-founded, as he had misjudged the attitude of the pope and the Catholic Church toward the single-tax doctrine. Of course Leo XIII is now a broad-minded statesman instead of a narrow-minded theologian as formerly. Mr. George will find, however, that the feasibility of his single-tax doctrine depends more upon its agreement with scientific sociology than with dogmatic theology. No amount of theological authority can change error into truth or make that "robbery" which is a necessary element in the economic distribution of wealth. It may comfort Mr. George to know that the pope's hand is no longer raised against his theory, but that is of little account to society unless the theory itself be correct. It still remains for Mr. George to adjust his doctrine to economic law before he can convince the community that it will abolish poverty.

THE *Evening Post* has assumed the championship of futures, and insists that they are not gambling, but just the reverse of gambling.

Futures, it says, are the means of minimizing the risk in all competitive production. Risks to millers, manufacturers, merchants, and transporters generally cannot be minimized, nor indeed seriously diminished, without their aid. . . . The movement of the waters of the Mississippi and its tributaries toward the sea, or the reverse movement of the sea's vapors toward the mountains, is not more necessary to the production of crops in that region than is the movement of the money used in purchasing grain backward from the consumers toward the producers in the form of marginal contracts for the future delivery of grain.

We congratulate the *Post* on taking such a sound economic position. To be sure, it is very inconsistent with nearly everything the *Post* has said on economic and industrial affairs for some months past. It was evidently so surcharged with bad politics that good economics had no chance; the abuse of successful business men appeared so necessary to the success of its political projects that rational economics would have defeated its end. But now that its idol is enthroned, may we not hope that some degree of candor and intellectual integrity will characterize its discussion of industrial questions? It is better to appear inconsistent a little while in getting right than to be absurdly wrong all the time. We welcome the *Post's* return to the region of rational discussion, and trust that its ravings against business enterprise for mere political purposes will cease.

THE *Daily Commercial Bulletin* appears quite disturbed because "the message of the President and the annual reports of his cabinet officers fail to give due attention" to the suppression of trusts. It calls for the enforcement of the Sherman Anti-Trust Law, and thinks "Congress may well devote whatever time is necessary to the careful shaping of measures that will give effect to the people's wish." Pray, what is the people's wish upon this question? Who

knows? In what form has it ever been expressed? It has never been the special theme of even a national or a State election. It almost looks as if the editor of the *Commercial Bulletin* was mistaking his own opinion for that of the public. His view is very definite and doubtless very important, but it does not quite constitute public opinion. It is true that "there could be no better use of the time of both Houses than to devise measures which would give effect to the wishes of the people." That is what both Houses were elected for; but it is very important that they find out what the wishes of the people are before they shape their measures. Whenever laborers ask for industrial legislation to restrict the hours of labor, furnish efficient factory inspection, the enforcement of wholesome workshop conditions, tariff protection, or whatever, the *Bulletin* never fails to oppose on the ground that Congress and State legislation are utterly incompetent to regulate industrial efforts; yet, for some inexplicable reason, it pleads that the investment of capital, the most sensitive of all industrial factors, shall be regulated by Congress, whose economic incompetency it is never tired of reiterating. This special pleading against a new form of industrial organization shows to all how much the press follows, and how little it leads, public sentiment.

IF THE WORLD'S FAIR is not a financial failure, it will not be for lack of effort on the part of the New York *Sun* to make it such. Ever since it was decided that the Fair should not be in the hands of Tammany, the *Sun* has lost no opportunity of berating it and trying to influence Congress to cripple its management in every way possible. It tried to prevent Congress from granting any money to the Fair. Having failed in this, as a last resource it has assumed the role of Sabbatarian, and pleads against the opening of the Fair on Sunday, hoping no doubt by this means to cut off considerable revenue. With peculiar emotion it exclaims, "If the Chicago Fair is to be opened on

Sunday, why should not all fairs, all exhibitions, and all places of amusement be opened on that day? Why should we not destroy the last vestige of our old-time Sunday observance?" And then, Jeremiah-like, weeping over the wickedness of Chicago, it continues: "It is a town sunk in materialism. From Monday morning until Saturday night its people are engaged in a harum-scarum, helter-skelter, pell-mell chase for the things of this world."

A paper whose office knows no Sabbath—that publishes on Sundays avowedly for the sole purpose of making money: that advocates the planting of rum-shops beside school-houses; that opposes the enforcement of the Sunday liquor law; that antagonizes those who work for the suppression of houses of ill-fame—sermonizing on the sanctity of the Sabbath suggests Satan lamenting over sin. Such hypocrisy in a great metropolitan journal merely for the purpose of injuring the financial success of the World's Fair, because it could not be used for the party purposes of a local political organization, is neither patriotic nor creditable to the honor and integrity of American journalism.

MR. CLEVELAND has announced that his will be a business men's administration. He says:

The questions before the American people are questions that can be best solved by business men. Reforms of the tariff, economy in the government, will be easily accomplished if plain, practical, honest business men are selected.

This means that the policy of the incoming administration is to be determined by business men instead of statesmen, by novices instead of experts. Mr. Cleveland seems not to know that business and statesmanship are very different callings, requiring different orders of ability. It is no reflection upon successful manufacturers and merchants to say that they seldom make great statesmen; nor is it discreditable to the Gladstones, Bismarcks, Jeffersons, and Websters to say that they do not rank high as business men. To be successful in the one calling is practi-

cally to be unfitted for the other. The successful business man must be, by both character and training, master of productive processes and immediate market conditions; whereas the successful statesman must be master of the art of government. The business man appropriates present industrial conditions: the statesman deals with future industrial opportunities. The one has to do with the narrow, short-range knowledge of facts, the other with the broad, long-range knowledge of political principles. One is individual and local, the other impersonal and national. The treatment of the tariff especially requires the hand of broad statesmanship and large economic generalization. The present muddled state of that vexed question is mainly due to the fact that it has been governed too much by individual interests and too little by economic statesmanship. Business is the sphere of business men, government the sphere of statesmen: to attempt to reverse their positions indicates a lack of the statesman instinct.

IN HIS recent address before the Boston Boot and Shoe Club, President Andrews gives as his reason for favoring bimetallism the great fall of prices, and says:

We need to stay that painful decay in the money-commanding power of general commodities which for nearly thirty years has infected with miasma the economic lifeblood of the whole world. The everlasting fall of prices, the act of sinking, is the accursed thing.

We had supposed that the fall of prices was a good thing for the community. The chief charge against trusts is that they put up prices, and, if we mistake not, President Andrews wrote an article objecting to them on this ground. In the recent election the crime urged against the Republican party was that the McKinley Bill raised prices, and therefore robbed the public. Here again President Andrews objects to high tariff for that very reason, and yet he tells us that the constant fall of prices "for nearly thirty years has infected with miasma the economic lifeblood of the whole world."

Of course Mr. Andrews is not really so absurd as to desire to see a rise in prices of commodities. What he does desire is bimetallism, but for just what reason it is difficult, from anything he said to the Boston shoemakers, to find out. Does President Andrews really think that the mere fact that all nations are willing to coin both gold and silver will keep the values of these two metals together? There might just as well be an international agreement that the price of wheat and potatoes should keep together; and this is an economic impossibility without an arbitrary monopoly. The value of gold and silver is determined by exactly the same principle as the value of wheat or shoes, namely, the cost of production. It is just as unreasonable to expect the values of two commodities, whose cost of production varies, to keep together, as it is to expect water to run in opposite directions on a hillside.

COMMENTING upon our Wednesday evening lecture, "Society and the Coming Billionaire," the *New York World* says:

Prof. George Gunton, of the School of Economics, welcomes the era of billionaires, and says they will soon be recognized by everyone as great beneficial social institutions. He holds the same views with regard to trusts, much to the gratification of coal barons and oil kings.

If the editor of the *World* really desires correctly to understand our "views with regard to trusts," we recommend him to read the first article in this issue. Yes, we welcome the billionaire for the same reason that everybody ought to be glad that the millionaire is here. The *World* could not give us from twenty to forty pages of printed matter for two cents were not its owner a millionaire. Does the editor of the *World* think the community would be served better if only thousand-dollar capitalists owned newspapers? Could the immense machinery which prints both sides of the paper, cuts, pastes, and folds a twenty-page paper all at one stroke, have been possible without million-dollar capitals? Surely the writer who penned the

above within the opulent walls of that towering monument to journalism cannot be suffering from such a delusion. The real function of capitalists in the community is to devise new means for creating profit; and the duty of the community is to take these profits in higher wages, reduced prices, and public improvements. This is what millionaires have done during the last twenty years. If no profits are created, no social advance can be made. Whenever we reach the point where the existing form of industry has become incapable of increasing profits by new drafts upon nature (new economic devices) a more powerful combination of capitalists is necessary. The millionaire has given us our great telegraph, railway, and newspaper systems: we now want the billionaire to harness electricity to our productive machinery, which shall still further lessen the cost of production and transportation, so that we may have still further advance in wages, reduction in prices, and larger resources to call upon for public improvements; that laborers may work fewer hours a day, and live forty miles from their work. The social city, with its theatres, libraries, and cultivating influences shall be removed from the din and dirt and humdrum of the commercial and workshop city; and this advance will necessitate the replacing of the tenement rookeries by profitable business structures, and thus abolish existing tenement-house conditions, which are the great stigma upon modern city life. This process has already begun. Millionaire capitalists are building houses, and every one is built upon an improved plan, so that the new tenement house has more improvements than did the houses of the wealthy fifty years ago.

Book Reviews.

Methods of Industrial Remuneration. By DAVID SCHLOSS.
G. P. Putnam's Sons, New York and London. 1892.
280 pp.

Mr. Schloss has done what few writers do—he has made a very readable book and has kept his text true to his title-page. Throughout his 280 pages he has adhered strictly to his subject, and with great fairness. It will be difficult for anyone to rise from reading this book without learning something about the different methods of remuneration employed in modern industry. If one reads the book with the hope of learning what methods are best, and which of those in vogue are in closest accord with the natural trend of economic development, he is doomed to disappointment. The conspicuous merits of the book lie in its brief, lucid statement and illustration of existing methods of payment; indeed, the writer's mind seems to have been a perfect mirror of the facts received regarding the subject, which are faithfully reflected to the reader with no sign of preference. To be sure, he gives some pleasant and valid criticisms of the various methods, but they are so evenly distributed that all methods appear alike objectionable. After criticising all, equally if not impartially, from time-wages to co-operation, one naturally expects to find suggested a method of remuneration which the author would regard as free from these objections; but this is entirely lacking. It is not difficult to read between the lines, however, that there is lurking in the author's mind some notion that something new in the social order must supersede the wages system, that some unobjectionable method of industrial distribution can be devised; but, as we have said, no hint of aid is given. He distinguishes the different kinds of wages—time-wage, piece-wage, task-wage, and collective progressive wages.

It is needless to say that so many distinctions in the kinds of payment are unnecessary to an intelligent discus-

sion of the wage question; indeed, the very attempt at such nice classification suggests a lack of grip upon the economics of the wage problem. Time-wage is simply another name for day-wage—a useless change. By task-wage he means the arrangement by which men work by the day, but are liable to be discharged if they fail to do a certain amount. In practice this is the condition of day-wages, and so affords no occasion for special distinction. Piece-wages of course differ from time-wages in that laborers are paid by the unit of product instead of by the unit of time. Here our author sees, as was pointed out in “Wealth and Progress,” that time-wages and piece-wages come to substantially the same thing for the workman, as wherever the two methods are both employed, laborers of similar ability secure practically equal incomes. He says, page 22:

If it is asked what it is that decides what is “six pennyworth of work” in each instance, it is for our purpose sufficient to say that whatever considerations govern this matter apply in an identical manner, whether this “six pennyworth of work” be the output produced in say an hour by a man employed at sixpence an hour, or the output of a man making at a piece-wage of one penny per article six articles, each of which it takes him ten minutes to make.

But what is the economic cause for the similarity of payment under these conditions he seems not to understand, and passes it by with the remark that it involves a discussion of the law of wages, which “would be out of place here.” Yet this is the very core of the whole subject. On this point, however, Mr. Schloss is not unlike many other writers, and he shows a very much better spirit than most of them. It is not at all surprising that he wanders a little here, as this is a point upon which economists have long been in a fog, both in Europe and in this country, and even the recent efforts of Böhm-Bawerk and Frances A. Walker have not perceptibly cleared the sky.

Had Mr. Schloss understood that the cost of produc-

tion is the chief determining factor in price, his task would be greatly simplified. It would then have been easy to say that the cost of furnishing labor, which is the cost of living, is the determining force in wage, and that, as a matter of fact, both day-wages and piece-wages are governed by the same cost principle, day-wages being the direct and piece-wages the indirect expression of it. Indeed, Mr. Schloss came very near the truth of the matter when he said that wages must furnish "the amount of money or money's worth which the average operative requires in order to provide himself and his family with the average amount of commodities and comforts accepted by the men of his class as their standard of comfort."

It is really of very little importance which means of payment prevails. The only objection to any method is the small amount laborers finally receive. Nobody oppresses highly-paid, intelligent people; and it is very difficult for anybody to prevent the oppression of ignorant, low-paid people. The real difficulty, however, is not in the method of remuneration, but in the quality of it.

The author's discussion of the operation of profit-sharing and co-operation is both interesting and instructive. He shows that in all cases where it has been tried, co-operation has signally failed to abolish the wages system, and moreover that it has nowhere really increased the laborer's income. In short, the case against profit-sharing and co-operation, as affording no adequate solution of the labor problem, is well presented, and if facts have any influence, it is well-nigh conclusive. This is the more important because Mr. Schloss is a Fabian socialist, with a strong bias against the wages system and in favor of some form of socialistic production.

A History of Presidential Elections. By EDWARD STANWOOD. Third Edition, Revised. Houghton, Mifflin & Co., Boston and New York. 1892. pp 492.

This work is not philosophical in character, as one

might expect from its title. It deals with outward form, not with inner life. Analysis of causes is not attempted. Explanations are hinted at only occasionally and incidentally. Indeed, the author plainly considers that it would be a mental impropriety for him to hold an opinion about our political institutions, or so to tell their story that it should teach a plain lesson.

The book is substantially a statement of fact, a record of circumstance. The aim of the writer is to give an accurate and detailed account of what actually occurred in connection with each of the twenty-seven presidential elections from 1788 to 1892. It is the nominations and the counting of the votes cast for electors and by electors and the manner of voting which occupy attention, and not the why of the voting. Platforms of all parties are either given in full or explained by reference to former ones. A number of laws and important documents are given: the Election Law of 1792; the House Rules of 1800; the Twenty-second Joint Rule of 1865; the Electoral Commission Act of 1877; the Presidential Succession Law of 1886; the law for settling disputed elections (1887). The results, popular and electoral, of each election are tabulated, and the method of procedure in each State is indicated as this was changed from time to time from legislative to popular and from district to state voting on a general ticket. This might also have been tabulated to advantage.

As a book for reference, Mr. Stanwood's work serves excellently well. As a history it will prove disappointing to many—to those who take a scientific view of history. Mr. Stanwood appears to take the narrow view that history is not a science; that we cannot trace cause and effect on broad lines in the current of human affairs; that volition disturbs the connection and precludes the possibility of law; that there is no uniformity in the sequence of events, no fixed order, no "necessary consequence," as in the realm of nature outside of man. He seems to think that history is a disconnected chapter of accidents; that caprice,

arbitrary action, free will, control the movement; that it is "329" and the Morey letter, or Burchard's three R's, or the injudicious correspondence of Lord Sackville, that elect and defeat the candidates for the presidency. A History of Presidential Elections is not therefore a connected narrative; there is no thread running through the tale. The author deals with the apparent circumstance and not with the hidden forces, the unseen causes. The currents of our political life do not lie revealed in his pages.

Mr. Stanwood's work consequently is a history that does not explain history, which is the type of historical writing that is least useful, and which the spirit of the age has outlived.

Man and the State. Popular Lectures and Discussions before the Brooklyn Ethical Association. D. Appleton & Co., New York. 1892. 558 pp.

In the winter of 1888-89 the Brooklyn Ethical Association suddenly assumed prominence as an avowed advocate of the doctrine of evolution. Prior to that time its existence had been scarcely known outside a limited circle of Brooklyn people who were mainly members of the Second Unitarian Church. An ardent disciple of Herbert Spencer became a member in 1887, and at once began the work of molding opinion in favor of the synthetic philosophy. At his suggestion the association turned its attention into the newly opened channel of thought, Dr. Janes, then as now its president, entering heartily into the work. The wisdom of the new departure has since been abundantly confirmed by the phenomenal success that has attended it. To-day the association has an international reputation, and has placed on its list of members the names of many of the acknowledged leaders of modern thought.

For four years the lectures have been published separately as pamphlets, and each winter's course as a single volume. That of the first year bears the title "Evolution," the second "Sociology," the third "Evolution in Science, Philosophy and Art," and the fourth and last "Man and

the State." Each subject is ably and interestingly presented, and the series constitutes a popular exposition of the trend of modern discovery and modern thought that it would be difficult to equal and more difficult to excel. Taken as a whole, the Association deserves great credit for the work it has done. In dealing with the problems of sociology, no dogmatic standard is set up, the principle of hearing all sides being adopted instead. In the preface to the volume now before us, the following statement is made: "Questions dividing the public mind have herein, as far as possible, been presented from contrasting points of view with candor and fairness." The subjects discussed are: "The Duty of a Public Spirit," "The Study of Applied Sociology," "Representative Government," "Suffrage and the Ballot," "The Land Problem," "The Problem of City Government," "Taxation and Revenue," "The Monetary Problem," "The Immigration Problem," "The Afric-American," "The Race Problem," "Education," "The Democratic Party," "The Republican Party," "The Independent," and "Moral Questions in Politics." Under the title of "Taxation and Revenue" two lectures were given in defense, one of free trade and the other of protection. The free trade advocate spent his time evolving metaphysical reasons in support of his contention, not meeting a single one of the many scientific reasons of the other side. The paper on protection appealed to universal experience for its proof, and showed that there existed an exact correspondence between this doctrine and the law of evolution. It is unfortunate that the number of persons who debated these subjects after the regular speakers should have been so unevenly divided. Four were opposed to protection, and a fifth, with a leaning in the same direction, represented himself as preferring protection to a hasty adoption of free trade. Only three avowed protectionists seem to have been invited to support the principal speaker on that side. Three to five seems scarcely an even distribution. On the subjects of the Democratic party

and the Republican party we find the same unfortunate preponderance of argument on one side. Mr. Hoar, the Republican, had three opponents with only one supporter, while Mr. Shepard, the Democrat, had but one against him. If we count the number of pages devoted to each side, the same unfortunate distribution becomes apparent. The total number of pages devoted to free trade, including the criticism of protection, is thirty-two; the total number given to protection is ten less. The total number devoted to Democracy is twenty-eight, the total number given to Republicanism is sixteen less; that is, sixty pages on one side, to thirty-four pages on the other. It is quite possible that this difference represents simply the difference in the amount of manuscript furnished by the parties to the discussion. But the Ethical Association, if it wishes in future to hold public confidence as it has in the past, and to pose as the defender of scientific sociology, must avoid even the appearance of bias. In the choice of critics for each subject, no doubt the greatest care was taken that each side should have the support of the strongest representatives available. The same unconscious trend that determined the number of speakers and pages given has been said to be discernible here. This, however, may be accounted for by the consideration that the judgment of no two concerning the ability of different men would exactly coincide. The lecture on the monetary question, although in great part in agreement with our own position, was not impartially presented. There is another side to it, but that other side had absolutely no representation.

Philip Meyer's Scheme: A Story of Trade Unionism. By LUKE A. HEDD. J. S. Ogilvie, New York. 1892. 144 pp.

This book is written in the interest of labor. The author, a trades-unionist but not an economist, believes in high wages and short hours, but thinks either Bellamyism or third-party politics is the means which laborers should employ to promote their welfare. The scheme that Philip

Meyer introduces to his craft is to have every workman become a member of his union; capitalists then could not secure non-union laborers, and hence, when a strike occurred, it would be a trial of financial endurance. No policemen or soldiers or Pinkerton detectives would be required to protect non-union laborers, because there would be no such class. A strike would thus never be a contest between union laborers and non-union laborers, but always between union laborers and their employers.

That this would be an improvement on present conditions is conceded, but how to get every member of a craft into the union has been the theme of trades-union presidents, secretaries, and walking delegates for generations. Our author has a strike occur under Philip's ideal conditions, and it is entirely successful. He concludes by recommending that unions should be used as political organizations to establish a third party, whose object should be to put the large industries, such as railroads, mines, etc., in the hands of the government, and thus place profits as well as wages at the disposal of organized labor. No surer sign of superficial thinking could possibly be given. The Bellamy and Farmers' Alliance movements do indeed show the hopeful signs of discontent in a community, but they demonstrate quite as clearly the danger of empty enthusiasm and the great need of the economic education of the masses. Although this book has nothing new for economic students, it is evidently the work of an honest trades-unionist, who has put in rather dry narrative a plea for universal organization. Except for its Bellamy tendencies, it would have been well adapted for circulation among non-union workingmen, especially those unfamiliar with the advantages of labor organizations.

SOCIAL ECONOMIST

MARCH, 1893

Solution of the Silver Problem.

If the Democratic party is measurably to keep faith with the public, there are two questions with which the incoming administration must deal with some degree of promptness and precision; these are the tariff and silver. Evasion of the task has been rendered almost impossible by their own declarations. In their bid for office they were not content with merely assailing the Republican monetary and tariff policies, but they specifically declared for the abolition of protection and the repeal of the present silver law. Of the two questions, however, they made the tariff the more prominent, treating it as of altogether more immediate importance, and denouncing the present tariff law as an unconstitutional instrument of robbery, which should be immediately repealed. The country therefore naturally looks for action on the tariff question first; the tone of the press immediately after the election sustained this view, and many of the leading anti-tariff organs, such as the *Evening Post*, even demanded an extra session for this purpose.

As the time for action approaches, however, Mr. Cleveland and his immediate advisers appear to realize the importance of their task, and are manifestly endeavoring to postpone the embarrassing ordeal of facing the tariff question. The serious apprehensions regarding the injurious effect of the tariff law which they entertained in October seem to have disappeared. Even our economic Cassandra, the *Evening Post*, now pleads for postponement, on the

ground that, having had two years under the McKinley law, we can stand it for a little while longer without serious injury, and claims that the silver question must be made the imperative question. Indeed, the *New York Sun* is now almost alone among Democratic journals in demanding the literal interpretation of the Chicago platform, which calls for the abolition of all protection from our revenue system.

Of course, the more practical and sober men in the party know that to do this would be seriously to impair, if not fatally to injure, a very large proportion of our manufacturing industries, which would insure their immediate political death-warrant. Therefore to them it is a matter of political strategy to postpone the evil day as long as possible, and instead of calling a special session to repeal the tariff law, the silver question is suddenly pushed into prominence.

Unfortunately, however, this change of front does not promise much relief to the new administration. From present indications, the treatment of the silver question is likely to prove scarcely less embarrassing than that of the tariff question. The Democratic party is definitely pledged to the repeal of the present silver law, but what to put in its place is the problem upon which there appears to be no agreement. The first step in their monetary statesmanship has been taken by Senator Hill in his motion to repeal the so-called Sherman law, and even this was not supported by his Democratic colleagues. His speech in the Senate upon the question shows that he and those he represents are for free silver. By repealing the present law Senator Hill hopes to have what he calls a free bimetallic coinage. This, he thinks, is the only means of keeping gold and silver at a parity. He says:

Everything has been done during the last nineteen years except the old and only coupling of the two metals by free coinage. When free bimetallic coinage ceased in 1873, parity ceased, and the gold half of the world's money became dislocated from the silver half. When their coupling is renewed, their stable parity will be renewed. Nothing can establish

parity except free bimetallic coinage, that which has created and maintained their parity in the past. I should prefer that solution of the question to any entangling alliance by means of an international arrangement.

Here we have the representative of Samuel J. Tilden and the New York and Southern democracy arguing in the United States Senate that the widely differing values of two metals will become equal and remain so by the free coinage of both. It would indeed have been difficult for Senator Hill more conclusively to have shown his utter incapacity to deal with a monetary problem. What magical power does free coinage possess that it should work such a miracle? If there were any truth in such a proposition, then all commodities would become of equal value if freely produced. It appears not to have occurred to the New York senator to explain on what basis this automatic parity should take place. Would an ounce of silver be at par with an ounce of gold, or would it be ten to one, fifteen to one, twenty to one, or what? If these metals would become the equivalent of each other in any given ratio, he should at least have indicated what the ratio would be, and why that particular ratio. In the ninth century the proportion in which the two metals were of equal value was about nine of silver to one of gold; under the Tudors, the ratio reached twelve to one; early in the present century, it was fifteen to one; it is now coined at fifteen and one-half to one, but its ratio in the market is about twenty-two to one. Now, why this change? Why was the ratio nine to one in the ninth century, and why did it change, in varying degree, from that point to twenty-two to one? The author of the remarks quoted above could hardly be expected to answer these questions. Yet this is the very core of the subject. To say that mere free coinage of silver and gold will establish a permanent parity of value between them, without reference to the cost which determines the value of both, is so absurd that nothing but the fact that it was uttered by a United States senator could excuse even passing reference to it. One might just as

well say that corn and potatoes would establish a permanent parity of value if they were freely produced.

The simple truth in the matter is that the relative value of silver and gold varies because the conditions which determine their respective values, namely, the cost of their production, vary. If it cost as much to supply an ounce of silver as an ounce of gold, the values of the two metals would be equal; and the only reason that the value of silver has fallen in comparison with gold is that the cost of its production has fallen more than that of gold. If Senator Hill and those who think with him can show that the free coinage of silver will in any way tend to make the cost of producing that metal assume a permanent relation to the cost of producing gold, they will have some reason for the claim that it will establish a parity between the values of the two metals; if not, their claim is absolutely groundless. Why any sane man should think that, in the absence of arbitrary regulation, twenty-three would be generally given when fifteen and a half would be accepted, only statesmen of the free coinage type can explain.

It is fair to say, however, that although Senator Hill represents the democracy of New York and to a considerable extent of the South and West, he does not represent the incoming administration. To the administration, therefore, the Hills and Blands, who evidently represent a large contingent, if not a majority, of the Democratic forces, are monetary heretics. The friends of the administration, or the opponents of free coinage, are characterized as the friends of sound money. As this wing of the party has the presidency and the veto power, it is to it that the country must look for whatever statesmanship the administration represents on the subject.

Whatever may be the party preferences of the moment, the country at large is interested in the establishment of a sound fiscal policy. If the incoming administration has any method for furnishing a solution of the present monetary difficulty, it is clearly the duty of everyone, re-

gardless of party, to support it against the heresies of its own party. A sound monetary system is a national rather than a partisan question. It is of the highest importance, therefore, to know the position of the administration on the subject.

What does the phrase "sound money" mean? When the Sherman law is repealed, what do Mr. Cleveland, the *Evening Post*, the *New York Times*, the *Boston Herald*, the *Springfield Republican*, and the army of so-called sound-money advocates propose to put in its place? The silver question can only be permanently solved in one of three ways:

(1) By abolishing the use of silver as money. (2) By having a restricted use of silver. (3) By adopting the free, indiscriminate coinage of both gold and silver.

The first alternative takes silver out of the question altogether; the second involves the arbitrary adjustment of silver to gold; the third, the establishment of a scientific basis on which the two metals can be freely used together.

I. The idea of entirely abolishing the use of silver as money is, for the present at least, out of the question. Whatever may be the ideal money of the future, for the present and for some time to come the use of silver, or of some other property money besides gold, is indispensable to the needs of commerce and industry.

II. The proposition to solve the monetary question by having a restricted use of silver is a very old one; the world has been wrestling with it ever since gold and silver were first used as money. Although it has occupied the attention of the ablest financiers of every country and generation, it has never yet been made to work successfully. In order to solve the problem, the quantity of silver must be so regulated that the community shall always have enough, never too much, and that the values of the two coins shall always keep together. This result a restricted use of silver has never been able to attain.

Thus far we have no evidence that Mr. Cleveland and his friends have anything new to offer upon the subject. Every scheme for using the two metals has been based upon the idea of keeping together their relative values by a fixed ratio of their quantity, and this idea could not work satisfactorily because it is contrary to economic law. If the cost of producing the two metals could be unalterably fixed, or if the cost of both could be made to vary together, their relative value could be permanently established by a fixed ratio of their quantity; but as the cost of producing gold and silver is apt to vary, both actually and relatively to each other, it is absolutely impossible to establish a parity of value between them by any fixed ratio of quantity. In such a case, a fixed ratio of quantity will necessarily give a varying ratio of value, and conversely, a fixed ratio of value must of necessity involve a varying ratio of quantity.

The experience of centuries shows that the values of a given quantity of the two metals will not keep together for any considerable time, and that the cheaper metal always drives the dearer one out of circulation. Therefore, in order to keep both metals in circulation, it has always been found necessary to limit the amount to be used of the cheaper metal so that the overvalued money cannot drive the standard money out of circulation. It is the regulation of the quantity that creates all the trouble. The fact that the quantity has to be restricted by law makes it inflexible for the time being; now there is too little, now too much. When an increase of coin is most needed, it is usually most difficult to obtain, and frequently when it is least needed, it is in greatest abundance. The reason for this is that when a law is once passed, the annual amount of money furnished continues without reference to the need of it. If for any reason the need of money diminishes, a surplus accumulates; and if the need for it increases, there is a deficiency.

This is a great defect, necessarily inseparable from

any monetary system in which the quantity of currency is regulated by political enactment, because it fails to adjust the supply of money to the commercial needs of the community, which is an essential feature of a sound monetary system. Of course the Sherman law, which calls for the purchase of four and a half million dollars' worth of silver a month, can be repealed; but how do we know that any other specific amount can be determined which will be better proportioned to the needs of the community? In other words, it is impossible constantly to adjust the supply of money to the demand, and at the same time maintain a parity of value between the two metals, by any system which arbitrarily regulates the amount of either. To arrange the value by this method we necessarily derange the amount.

No change in our monetary system, therefore, which does not guarantee that the value of gold and silver dollars will remain equal and that their supply will be automatically adjusted to the commercial demand, can afford a permanent solution of the silver problem. If the incoming administration does not adequately deal with both these points, it will surely fail to furnish any permanent improvement in our monetary system. To reduce the purchase of silver, or even to change the ratio in which gold and silver shall be coined, would be merely to maintain the value of silver by depriving the community of the use of it. The only real difference between this restricted-use-of-overvalued-silver and the Hill-Bland scheme is that one cripples the supply of currency in order to maintain a parity of value, and the other destroys the parity of value in order to secure an adequate supply. This timeworn method of remedying one evil by creating another can no longer pass for statesmanship. It is a solution of the problem, not a mere shifting of the difficulty, that is demanded.

III. It is then to the third proposition that we must finally look for the true economic solution of the problem; namely, some method which will make possible the free use of both metals without creating a disparity in their value.

In order to accomplish this result, it is necessary to change the point of adjustment from quantity to value; that is to say, instead of being coined in a ratio of quantity, metals must be coined in the ratio of value. Every silver dollar must be the economic equivalent of a gold dollar, without reference to the number of grains it contains. Instead of trying to perform the miracle of adjusting the value to the grains, we must reverse the process, and adjust the grains to the value. If every coin, of whatever metal, is equal in value to every other coin of the same denomination, then all reason for restricting the quantity will have disappeared. Since restriction of the cheaper metal is only necessary in order to prevent it from supplanting the dearer metal, if both metals are coined on an equal basis, neither can supplant the other, because they are the exact equivalents of each other.

Mr. Edward Atkinson proposes to accomplish this result by means of taxation. His scheme is that gold and silver shall continue to be coined in the present ratio of fifteen and one-half to one, and the value of the two coins kept together by means of a tax upon silver equal to the difference in the values of the gold and silver dollar. This is a little peculiar in view of the fact that Mr. Atkinson denies the right of government to levy a tax for any other purpose than for revenue. However, consistency was never one of Mr. Atkinson's virtues, and his silver scheme should not be rejected because it is inconsistent with his tariff talk, which is nearly all unsound. The objection to Mr. Atkinson's method is that it is only another way of trying artificially to hold up the value of silver to the level of gold when it is economically below it. It might prevent silver from driving gold out of the circulation, but it would not guarantee that silver dollars should contain the same value of property as gold dollars. So far as local circulation is concerned, a circulating parity might be preserved, but for all foreign exchanges a disparity would exist as now, and whenever the tax should be changed or repealed, every

holder of overvalued silver dollars would lose at a stroke the difference, which to-day would be nearly thirty per cent.

In order to make both the value and the supply of money thoroughly economic and automatic, all artificial means of adjustment must be avoided. The way to secure uniform value, and the only way, is to have the property in the silver dollar equal in value to the property in the gold dollar.

When stripped of misleading ambiguities, this is a very simple affair. All that is necessary is to make a certain number of grains of gold, as now, the monetary unit, and in the coining of silver or the issue of silver certificates to make the silver dollar contain a dollar's worth of silver; whether it be fifteen and one-half, or seventeen, or nineteen, or twenty-three makes no difference. If every silver dollar contained a dollar's worth of silver, and every silver certificate represented that amount, then equality of value would be established in the coins by economic or natural law. Under such conditions, neither could supersede the other, because neither would be preferable to the other. When the equality of value of the two metals is thus automatically adjusted, there will be no necessity for regulating the quantity. Then silver can be coined as freely as gold, and with as much safety.

Thus we see that there is an element of truth in the demands of the free coinage advocates; but free coinage as they want it would be fatal, because they demand the free coinage of both metals at a fixed ratio, which would defeat the equality of value. But when the two metals are coined on the same basis of value, the objections which would be fatal to free silver under present conditions entirely disappear.

It is another advantage in favor of this change that it can be inaugurated, in this country alone, with absolute impunity; in fact, the United States would not be in the least affected whether the remainder of the world adopted

it or not. We should have a monetary system under which every dollar issued would be of the same value as any other dollar, and this not merely as money, but as bullion property. Whether coined or melted, whether in Europe or America, every dollar of either silver or gold would be of the same value. It would then be immaterial where an American citizen went, or what kind of American money he passed. He could neither gain nor lose by changing silver for gold, or gold for silver, or either or both for bullion.

If the Democratic administration will rise above the traditional plane of currency tinkering, and recognize the necessity of a radical change in the basis of bimetallic coinage, substituting equality of value of the metals for a specific ratio of quantity, it will have laid the foundation for a scientific monetary system which will furnish an economic solution of the silver question and forever settle one of the most perplexing problems of modern statesmanship. But if it persists in the futile attempt to fix by legal enactment the relative value of gold and silver, and to perform the miracle of making seventy equal to a hundred, it will simply add another chapter to its history of failures.

A War Against War.

“Every duty we omit obscures some truth we should have known,” Ruskin says, and the world seems really beginning to understand this practically. We slowly rise from words to action. We have been saying for long that war is murder, and now effort is being made to abolish it; but, though much is done for its abolition, more is done for its perpetuation. Like every great cause, it encounters great opposition. Many ridicule and decry it, and military men regard it as a fanatical design, existing only in the minds of optimistic schemers; as a dim, fleeting impress, a vapid conception, the imagery of erroneous philanthropy. But, like all reformatory movements founded on the gospel of true Christianity, the cause of peace shall grow in power as peoples grow in learning and civilization, as they abandon the doctrines of heathenism for the teachings of a universal humanitarianism. Tolstoi and Björnson, each exerting an incomparable influence over his countrymen, are broadening the Gladstonian furrow, the one rousing the men of the East, the other leading multitudes of cheering Norsemen. From France sounds a voice beloved, the voice uplifted so earnestly that it echoes back from castle-walls to-day: “He who kills, let him wear a king’s crown or a monk’s hood, still he is a murderer,”—the words of Victor Hugo, which have become the warning and the condemnation of those who stain the battlefield with blood. Penn, Franklin, Emerson, Sumner, Lowell, and Whittier have assiduously labored to eradicate the traditional war-sentiment, and we are beginning to appreciate Lincoln’s efforts to avert civil war by compensated emancipation, which is now generally acknowledged to have been the only proper means of adjudication, and which would have cost no blood, no devastation, and less money than the civil war, which cost over 900,000 lives and \$6,189,929,908, in addi-

tion to the Southern debt, amounting to \$2,000,000,000. Besides, there is appropriated annually over \$150,000,000 for pensions and interests. Let these facts serve as an introduction to a demonstration, on the groundwork of universal peace, of the essential unity of mankind.

Traversing the history of ages and nations, it can hardly fail to be observed that national unity is considered by rulers of the highest political importance. It is unity of the forces in the field, unity of defense, unity of attack, unity of all military operations which constitute a powerful army. It was the unity of the Macedonian phalanx that made it invincible, and there can have been few Macedonians who did not know that, once broken, it was more difficult to restore than the regular order of battle; it was the unity of Napoleon's armies which made it possible for him to conquer nearly all Europe; it was the unity of Charles the Twelfth's movements which defeated the huge but poorly organized masses of Peter the Great; it was the unity of Rome which preserved its world-ruling dominion. When the Napoleonic lines broke at Waterloo, they broke never to close again; Russia recaptured its provinces from Sweden when there ceased to be unity among the Swedish troops; the unity of Rome was destroyed by Carthage, and Carthage swung the scepter which Rome had held. In this way we may select example upon example, before and after Christ, which serve to show us that rulers have been rulers only so long as they have preserved the unity of their country.

It is very generally believed that our age is progressing too rapidly, and this too rapid progress is even offered as ample reason for its fallacies. But see we aright? It has taken us nearly six thousand years to learn the practical significance of Cain's brother-murder, and to understand that war is but a blazoned tool with which we slay our brother. This seems to indicate that we are but slow learners, especially when so few of us can comprehend the lesson. Conceding that national unity is of the highest importance

to a country, that it is a political necessity for its independence, must we not also concede the broad, simple truth that international unity is the foundation of the weal of mankind? As national unity strengthens a nation, so international unity strengthens mankind.

As yet inconceivable sums are being lavished upon the maintenance and improvement of armaments in the interest of war.* It is as though a man kept a wild beast about him, even starving himself to feed it abundantly, till it finally rushes forth and devours him. We allow war to shrivel our hearts with hatred toward nations with which we would be bound in fraternal ties were it not that we are slaves of this baleful institution, this wild beast whose howls we imitate, whose teeth we sharpen, whose hunger we feed with our flesh.

The spirit of warfare is too enthusiastically dominant in us to permit of a deliberate analysis of its elements. To this we are opposed, and our opposition is kindled and kept aflame by the impassioned torch of a quixotic literature, whose fiery showers fall thick upon man's fancy. I admit, says the military sceptic, that it is sad to contemplate such loss of life, but war is necessary.† We are inclined to think this idea rather a mouldy fragment of the temple of barbarism than a fundamental part of the fabric of our civilization. Since 1815 there have been over seventy cases of successful arbitration for the adjudication of international controversies, involving, among other grave questions of interest and law, the Alabama affair. Can there be offered a more conclusive proof of the practicability of arbitration as a substitute for war?

How, from a purely religious point of view, can war be considered necessary if the laws of state and govern-

* Annual cost of the armies of Europe, \$2,355,000,000. The wars between 1790-1880, a period of ninety years, cost 4,470,000 lives and \$15,235,000,000,—an average of 50,000 lives and \$170,000,000 for each year.

† The offices of an intelligent diplomacy, or of friendly arbitration, in proper cases, should be adequate to the peaceful adjustment of all international difficulties.—*President Benjamin Harrison, speech at Washington, 1889.*

ment are modeled upon the law of God, the gospel of peace? * Are we true Christians if we hesitate in our belief as to the practical value of Christ's teachings? Never with a word or an allusion does Christ recommend war. His own placid, divinely-balanced temperament is an historical as well as a religious protest against war, nay, against the hatred that begets war, and his words, when he speaks on the subject, accord with his example,—“They that take the sword shall perish by it.” “Blessed are the peacemakers, for they shall be called children of God.” † “On earth peace, good will unto men.” “Let him eschew evil, and do good; let him seek peace and pursue it.” There is no possibility of misunderstanding these sayings. In the first instance we have an immortal truth, assailed in vain by the war element of nineteen centuries; in the second a sacred benediction, manifesting the truth and bringing life in line with it.

No wonder the race is losing its virile strength when its most precious blood is drunk by the war Minotaur. But, it is argued, many thousands would be deprived of office and the means of livelihood by the abolishing of war. This limited view is set right by consideration of the fact that armies consist of compulsorily enlisted men who would gladly return to their occupations; and the officers, whose services would not be needed in a state of universal peace, constitute an altogether insignificant group compared with the millions who are made to groan by the worship of the war idol. The diminution of the warlike spirit, and the even greater diminution of the love of war, is owing to the same cause as that which checked religious persecution

* The power of love, as the basis of a state, has never been tried.—*Emerson*.

† Have you ever thought seriously of the meaning of that blessing given to the peacemakers? People are always expecting to get peace in heaven; but you know whatever peace they get there will be ready-made. Whatever making of peace they can be blest for must be on the earth here, not the taking of arms against, but the building of nests amidst its ‘sea of troubles’ [like the halcyons]. Difficult enough, you think? Perhaps so, but I do not see that any of us try. We complain at the want of many things—we want votes, we want liberty, we want amusement, we want money. Which of us feels or knows that he wants peace?—*J. Ruskin*.

and put an end to the terrors of the Inquisition, trial by torture, slavery, etc., namely, the progress of knowledge; and this malicious spirit, like these outgrowths of it, shall owe its complete eradication to the civilization which the progress of knowledge produces. Civilization, or the harvest of the fields of morality and intelligence, is palpably opposed to the least indication of the warlike element. Rendered sage and judicious by contemplating the accumulations of corroborated evidence, demonstrating the impropriety of dogmatical creed, it is incapable of tolerating the arrogance with which our forefathers regarded—and we in turn regard—geographical neighbors; the ignorant contempt with which country looked upon country; the peevish ambition and animosity of the rulers; the hypocrisy and indecorum of the clergy; the vindictiveness and brutal assumption of power by the nobility; and the unjustly enhanced taxation of the peasant-born. The civilization of the present needs a re-established Christianity and rehabilitated Christians to reinstate the gospel as originally preached. Surely, were the war-god divested of his blazonry and his smoke-wrapped tumult, and given the envenomed stiletto and the shrouding cloak of the assassin, the shoes of silence and the death-rattle of the slain, as his only visible and audible incitements, the magnetizing sparkle of his eyes would die away, and the peoples would recognize themselves idolators, and put the god to death. Another thing which overpowers imagination is the traditional splendor of military processions. The bold, stirring music, the brilliant uniforms, the clashing sabres, the measured march, the waving banners, the resplendent helmets, suffice to delude the beholder, and frequently prevail on his professional choice. These tares of fascination are scattered broadcast over the soil of ostentatious aspiration, and mankind itself must extirpate the noxious weed. Even women listen, with tradition-hardened hearts, to the thunder of battle, though their own sons may be gone, never to return. If they would but regard sabres and

bayonets as the butcher-knives, and cannon as the blood-brimmed drinking-horns of the war-god, would, in short, but see things as they are, they would set their faces like flint against what they now uphold in ecstasy of ardor.

The morality of a people is what the people make it, but it is a mistaken morality which glorifies murder under any name. Certainly this truth becomes apparent when we remember that "war morality" justifies what, during time of peace, receives legal punishment. It is particularly the poor, the peasant, the farmer debarred from the exercise of his rural duties, the artisan, the clerk, the tradesman bereft of his occupation, to whom war brings losses for which succeeding periods of peace can never indemnify them. But war, say some, is the natural outcome of inherited sin, and cannot, therefore, be abolished. That it is the consequence of inherited sin may be readily enough conceded, but why should we not exert our strongest efforts in abolishing it, as we do other sins of inheritance, rather than defend sin for sin's sake, or because it is a natural development, or because it is due to inherited tendencies?

War is no more necessary for nations than is murder for individuals. If war is a necessary evil, as some maintain, it is necessary only for evil purposes. Are we truly imbued with the spirit of humanity if we maintain that evil must be perpetuated to insure the progress of the race? We now regard duelling as an uncivilized means of reconciling civilized opponents; but place tens, hundreds, thousands, in the place of the two opponents in a duel, let them mutilate and slaughter one another, and people call the struggle glorious. Slain and slayers are heroes, the mania of homicide is heroism.

Von Moltke, from behind his Krupp cannon, cried, "War is of educational value." But it is one thing to teach men how to slaughter, and quite another thing to exemplify one's teaching with one's life. Says the military officer of to-day: "But war makes nations brave, self-re-

liant, alert. It rouses a lofty spirit of self-sacrifice, it imbues the soldier with the glow of patriotism, it brings into action forces and qualities which would perish in the valley of perpetual peace." The bravery developed by warfare, it may be confidently asserted, is not what it used to be. It is declining. In the time of the Scandinavian Berserk, the ancient Roman, the hardy Spartan, military bravery was shown by courageous combat, breast to breast and sword to sword; man's physical strength and skill in the use of weapons won for his brow the wreath of laurel. To-day the soldier is simply a mechanical butchering machine, propelled by the levers of discipline, regulated by the valve of strategy. Politicians open the valve, and lean back in their chairs to estimate the damages consequent upon the collision of hundreds of thousands of human beings. That cannot be true patriotism which will lead men to murder and incendiarism. The qualities and forces brought into action by war have never been of a nature so exalted as to accomplish anything but evil deeds. Something Van Moltke undoubtedly knows, but which he nevertheless did not take into consideration when he asserted the "educational value of war," is the licentiousness and profanity prevalent among soldiers and sailors. Of the licentiousness propagated by war we have a most striking instance in the history of the Crusades. The vast losses of men in the Palestine campaigns lessened the number of males to so excessive a degree that licentiousness in Europe at the time reached a climax till then unparalleled. Statistics prove that a decrease in the male population invariably increases licentiousness, and what can be more ruinously effective in this direction than war? If licentiousness directly caused by war be condemned, that indirectly caused by its agencies—the standing armies—must share in this condemnation.

History shows us how man's thirst for revenge, insatiate during periods of unceasing warfare, as in the middle ages, abandons him entirely under the palm-shadows of

peace. Inoculated with the venom of national jealousy and race-hatred, man is rendered indifferent to anything contrary to his contemplated design against his enemy. Each opponent claims to have right on his side, each explains the matter in dispute to his own advantage; both suffer accordingly. This is the outcome of barbarous procedure. In the pleasant atmosphere of the oasis of peace, animal tendencies are subdued, and man remains a meditative creature worthy of his creator. His better nature expands; the humane faculties, which distinguish him from the brute creation, are allowed their rightful predominance. To man thus peaceably disposed, in the superior state of mind which he, by virtue of his organization* as well as by his divine heritage, should render permanent, he will at once understand that there should be established a supreme court of nations, a tribunal of peace, to which all international political difficulties should be submitted. An executive magistrate is no more capable of judging the proper political attitude of a nation than its individual members are of judging any suit which they may find proper to bring against one another. The judicative inability of individuals is practically recognized by the establishment of courts of law, but that of a cabinet council—an assembly of individuals—is rarely suspected. We have codes of punishment for the individual, but for the judicious control of the cabinets we are at the mercy of circumstance; we virtually acknowledge that politicians are infallible in their opinion of right and wrong. We seriously discuss the questions of free trade, of international trade, of labor, of money, of capital, of increase of property, of the progress of civilization, and still retain an institution the propitious advancement of which compels the ruin or the hindrance of all that makes a nation prosperous.

*In essen ist's wahr, dass der Bau des Menschen vorzüglich auf die Vertheidigung, nicht auf den Angriff gerichtet ist: in diesem muss ihm die Kunst zu Hülfe kommen, in jener aber ist er von Natur das Kräftigste Geschöpf der Erde. Seine Gestalt selbst lehret ihn also Friedlichkeit, nicht räuberische Mordverwüstung,—der Humanität erstes Merkmal.

—Herder, "Ideen zur Geschichte," vol. i, p. 185.

Man will not much longer be limited by the harassing perplexities and hoary dogmas of past generations, or induced by traditional notions to endorse a system which civilization has outgrown. This is recently being admirably illustrated in Europe, throughout the countries in which the people are rising by the thousand to throw off the burden imposed upon them by war and its constantly augmenting armaments. A confederacy of the states of Europe, however, as predicted by Victor Hugo, is not likely to be realized for generations to come. To this end the various standards of culture, material interest, race ancestry, the prevalence of aristocratic domination, and especially the differences in language, as yet contrast too rigidly to dare hope that they will soon be fused into the crucible of a European commonwealth.

It certainly takes time to shunt the mind off the track of inherited ideas, and this more than anything else serves to support the opinion that the peace movement will be universally diffused, not by the vicissitudes of revolution, but by the steady, persevering progress of moral evolution. It is a struggle between sword and pen, between muscle and brain, between animalism and humanitarianism, between barbarism and practical Christianity. Who can doubt to which side victory will fall? All our great poets have mingled with the dust, our great men are passing into their graves, a common-sense generation—an arbiter of improvement and justice—stands on the threshold; it has its own special mission, and this mission is as beneficent in its services to mankind as those which are illumined by the messages of genius.

“Glad prophecy! to this at last,”
The Reader said, “shall all things come.
Forgotten be the bugle’s blast,
And battle-music of the drum.
A little while the world may run
Its old mad way, with needle-gun
And ironclad, but truth at last shall reign :
The cradle-song of Christ was never sung in vain !”

JOHANNES H. WISBY.

The Presidency of the United States.

In a recent review, Mr. Dorman B. Eaton argues strongly to show that we would do well so to amend the Constitution as to make the presidential term six years, and the president ineligible for a second term. As need hardly be said, Mr. Eaton's argument is impressive, and, so far as relates to the remedying of the one great evil he had in view, the change he favors may well be as desirable as it is important; but I cannot help thinking that, upon a fair view of all the elements of the problem,—and if, indeed, so radical a measure as a constitutional amendment is practicable at all in this most conservative of countries,—the reform should take a somewhat different shape, even with a view to the minimizing of the one evil with which Mr. Eaton more especially concerns himself, the evil, namely, of the selfish prostitution of the president's power over the Civil Service to promote his re-election for another term. The temptation thus to misuse the "patronage" would still exist in no slight degree, inasmuch as the incumbent, though himself ineligible for another term, would unquestionably, in the nature of things, be strongly desirous of securing the succession to some man of his choice, while the pressure put upon him by his party associates to influence him so to do would be stronger than ever, inasmuch as "victory" would then secure a six-year lease of executive power, instead of the present less valuable term of four years. Surely it will not be denied that to many an energetic and successful public man the naming of his successor for a six-year term would be almost as tempting an object of ambition as is now the securing of his own re-election for the shorter term. To be a political Warwick, rather than the personal holder of any particular office, necessarily for a limited term, is even now recognized as

an aim well worth pursuing even for the ablest, most unromantic, and most influential of our politicians. On the other hand, so much of the temptation to prostitute the "patronage" as comes from the influence upon the incumbent of the managers of his party would tend to increase, rather than diminish, under a scheme making the prize in view so much more valuable in every way.

But, furthermore,—and this is the point I wish to emphasize,—the prostitution of the official service by the actual incumbent of the presidency in the interest of his own re-election is by no means either the only or the most dangerous or important evil to be provided against in our action upon this subject. There is another mischief which is even more radical, insidious, and demoralizing, which is, indeed, a large factor in that very abuse of patronage by the executive at which Mr. Eaton's blows are aimed, while at the same time it is a mischief which cannot, like that abuse, be largely prevented or mitigated by any such policy of direct treatment as that under the name of Civil Service Reform, so conspicuously promoted by Mr. Eaton himself.

The evil or mischief consists of this: The effect or reaction on our politics of the circumstance that, under the Constitution as it stands, so influential and valuable an office as the presidency of the United States, such as it now is, is to be secured for a term of four years, on a practically indefeasible tenure during that period, by a "victory" at the polls on a given day, fixed in advance by the law itself, so that everybody knows precisely when this critical and short but portentous struggle is to occur.

If, as Mr. Eaton so strongly argues, the possibility of securing a second term of such an office tempts even good and able presidents into what is after all a traitorous prostitution of their official powers, we need not be surprised to see, as we can see only too plainly in our politics, that the possibility of securing a first term of the presidency, or one's self or for one's candidate, is found at least equally

seductive and demoralizing by all potential incumbents, and their friends, sympathizers, and allies of all degrees. To it may be attributed the unmistakable substitution of the presidency as a prize for the presidency as an instrumentality of the public business, as the real, dominating, all-determining object of the political conduct, not only of the few individuals who may reasonably hope to participate personally in the "spoils" of office, but likewise—and this is the really significant phenomenon—of those great masses of voters whose true personal interest lies, of course, only in that good government which this sort of politics, to say the very least of it, does not foster; they are easily enlisted by less disinterested politicians into pseudo parties, which are really but standing armies for the capture or retention of the offices. Having once taken sides, on one ground or another, the voters fall under the sway of that fascinating interest which average human nature sympathetically feels in any acute contest for a great prize, and become more or less bitter partisans, filled with a prejudice and a spirit of faction which make it always difficult, and usually impracticable, to get them to consider and decide public questions candidly and on their merits, or otherwise than as the blind supporters of whatever attitude the mere machinists of their faction think it best, for reasons of their own, to assume. Each of our political parties is thus brought, as a rule, and for most purposes, under the practically absolute sway of cliques of conspirators, with whom public policy is simply a pretext, to be developed and carried out only so far and so well as may prove necessary in the interest of the one great end and aim,—success in the elections, and primarily and chiefly in the election of a president.

It is true the presidency is not the only prize played for in that great national game which we so gravely treat as politics. There are other prizes, of various value and importance; there are governorships, seats in Congress and the state legislatures, judgeships, municipal offices of all

sorts; and all, to the fullest attainable degree, are utilized by the active managers of the great parties to consolidate and strengthen their "machines." But these are only incidentally exploited, the machinery needed for securing the presidency being at the same time available for capturing all this minor booty, and making, no doubt, a very welcome addition to the cohesive power which keeps the machinery whole and in good running order. Primarily, however, and essentially, our great parties are unquestionably president-electing clubs, and it may even seriously be doubted whether anything at all approaching their organization, in efficiency, permanence, or prestige, could have been developed at all, or could now be kept up, as mere machinery, without this one great alluring prize of the presidency to arouse and keep alive the interest and sympathetic partisanship of the thousands whose votes are needed for success, but who cannot all be allowed to participate in any but its sentimental fruits.

With the presidency such as it now is to point to as the stake to be fought for in the great pre-announced battle of the ballots, the politicians of commerce are too often able to induce the ingenuous voter to subordinate all other considerations to that one which they have taught him to believe the supremely important one,—that "the party" shall win the presidency at the next election. For this ardently desired consummation much is to be endured, much to be sacrificed. In the federal sphere itself, legislation and administration must be held up to the standards, not of justice and the national interest, but of the real or supposed interest of "the party" in the presidential campaign. On the other hand, in each state, and county, and town, the public business of the locality—practically so much more important to most men, most of the time, than federal legislation and administration—is to be dealt with on the same principle, and local politics to be merged into and sacrificed to presidential politics, at any cost, and finally perverted into consideration of the "availa-

bility" of candidates and evasion and platitude and false pretenses in platforms.

To make the presidential term longer by two years would obviously but increase the splendor and value of the prize which we have thus seen to be already too splendid and valuable for the political virtue of our public men and the common sense of their constituents.

The fact is, as more than one of the most eminent American authorities upon the subject have already pointed out, that our presidency is but a modification of the English monarchy, made at a time when the modern theory of the latter had not been fully developed. It is the irresponsible kingship of the last century cut up as to time into "chunks" of four years each, but during each term as absolute and as unchangeable by the people as if it were enjoyed by divine right, or as part of a life-tenure. Every four years, it is true, on a given day, our unmanageable and perverted political machinery grinds out a new decision as to the person who shall, for the next four years, be president; but, once this decision made, the fortunate nominee is more really a governor during his term than is now the King of England, who must govern through responsible ministers, changeable at any time, according to the manifestations of public opinion upon the questions which from time to time arise. We took the "literary theory" of the English Constitution of 1785, and, to transplant it to dynastyless America, modified its executive only by substituting for George the Third and his heirs a succession of four-year kings. Since we thus crystallized in our written Constitution the old, irresponsible executive of England, the heirs of George the Third have been reformed into mere embodiments of the stable administrative element in government, while the political executive is now a responsible prime minister, who cannot rightfully retain his hold on power for four years simply because of his having carried the election on a certain day. I submit that, in the light of a century's experience, we ought now

to discriminate in the same way, and analyze our antiquated, undemocratic, demoralizing presidency into two entirely distinct elements,—the expert chief administrator and the political executive, appointing the former by promotion of administrative officials, to hold until removed for cause by the political executive, while the latter would be simply the chairman, for the time being, of a standing executive committee of the national Congress, such committee having the power at any time to replace the incumbent by a successor, and the committee itself being changeable by Congress at any time, and Congress by the people once a year at least.

If, then, the Constitution is practically amendable at all, let us amend it in a direction modern and democratic rather than reactionary and monarchical. Instead of lengthening the period during which one man, however chosen, shall have secured to him so much more political power than millions of his countrymen, which he may exercise whatever his countrymen may think of his policy, let us make the political executive a responsible official, removable at any time by an executive council, itself changeable, to correspond with the regularly manifested desires of the people. Let us have a chief federal officer, in and for each state, appointed from among the federal officials in the state, but punishable by the federal courts for breach of official duty, who shall have charge of the administration of the federal laws within the State. Let these federal administrators, acting together as an electoral college, elect on occasion, to fill a vacancy, one of their own number as the Chief Executive Secretary (or if you please, President) of the United States, to serve until removed by the political executive, or premier, upon written charges of incompetence, malfeasance, or neglect of duty. Let every official order of this president be countersigned by the responsible political executive. Finally, let us make Congress itself as really responsible and representative a body as may be, by shortening the

presidential term to one year, and allowing to as many as possible of the political groups within each state proportional representation in the state's delegation in Congress.

Under such a system we need not fear a continuance of the great evil which Mr. Eaton wishes to guard against,—the president's prostitution of his official powers in order to promote his own re-election; nor shall we have provided against that evil by increasing the value of the presidential prize and thereby actually promoting evils even more insidiously fatal to good government, namely, first, the radical demoralization of all our politics, national, state, and local, by the setting up of so dazzling a prize as our four-year kingship, to be periodically contested for; and, second, the abuse of the president's official power, not indeed in the interest of his own re-election, but under "pressure" from his "party," or for the sake of securing the succession to the man of his choice. Neither the political executive nor the chief executive secretary would have the power or the temptation to promote his re-election by the prostitution of his office. On the other hand, we would have secured both a stable expert administration and a responsive political executive, while making our politics political, by redeeming them from the distorting influence now exerted by the presidency "and all that implies."

CHARLES FREDERIC ADAMS.

It is astonishing how many people mistake the spirit and real inwardness of democratic institutions. The friends of pure republicanism have constantly to be on guard against well-intended reforms backward. The proposition of Mr. Adams to reform our presidential system is clearly one of this character. The idea of appointing a council to elect a president for an unlimited term, with the power of removal in the hands of such council, has in it all the elements of red tape, log-rolling, and bureaucracy. In the first place, it would make the president the creature of a handful of people, and would offer

a strong inducement for continuing the term indefinitely; another and if anything worse feature of the scheme is that the president must be elected from their number, when perhaps they have not a fit man for president among them. We now at least have the choice from the whole population: then the choice would be limited probably to a dozen. And how is this executive council to be chosen? If by popular vote, then why not elect the president in the same way? If the popular vote can be trusted to elect half a dozen men who shall elect a president, it can just as well be trusted to elect the president himself. At present he is chosen by the popular vote indirectly reflected through the representatives of states. There is nothing in Mr. Adams' scheme which would guarantee a more intelligent choice or furnish a more democratic method; it is essentially undemocratic in that it removes the choosing of a president further from the people, which is a step toward autocracy. If to be president four years is a prize for which men unduly struggle, then the possibility of being president for life would incite to stronger and more unscrupulous effort in the same direction, since the effort would have to be made but once in a lifetime.

The essential element in democracy is representation of the people, and to secure constant representation we must have frequent appeals to the represented. Short terms of office and frequent elections are the only means to secure true representation. Mr. Dorman B. Eaton's plan for lengthening the term of office to six years and prohibiting re-election is equally undemocratic; it was the doctrine proclaimed by Mr. Cleveland himself when he was elected the first time; but finding an even chance for another term, he buried his promise. To take from the people the power to re-elect is just as undemocratic as to lengthen the term of office for which presidents are elected, because it equally lessens the frequency and freedom of the people's choice. The short-term method sends the pres-

ident back to the people; if he comes up a second time and is re-elected, it proves that he still represents the ideas and policies of the community, which is all a president should ever do. The first mistake of such people as Mr. Adams and Mr. Eaton is their assumption that our public officials are more corrupt than they are. It is not true that the chief aim of our public men is to obtain office for gain; on the contrary, most of our responsible offices yield less reward than the men who fill them can command in the ordinary avenues of profession and business. There is no country where the public service is more efficient, on the whole, and where a higher grade of public integrity prevails. We would not be understood as saying that our public service is perfect, but we desire to protest against the constant exaggeration of the shortcomings and the abuse of American public men; moreover, for whatever shortcomings exist, the remedy is not in the direction here proposed. It is not by restricting the machinery for electing public officers that reform in our public service is to come, but by elevating the standard of intelligence among the voters who elect them. Give us prosperous, well-informed voters, and the integrity and ability of presidents, congressmen, and municipal representatives may always be trusted. Intelligent voters and frequent elections form the only basis upon which the permanence of the republic can securely rest.—ED.

An Educator on the Failure of Education.

In *The Forum* for December appears an article from President Eliot, of Harvard University, entitled "Wherein Popular Education Has Failed."

When one has added and averaged the wages paid to the one hundred and ninety-one men and boys employed in one of Carnegie's mills, and finds the average earnings of the whole, from Americans to Huns, for that month to be within a fraction of \$80, and remembers the statement that, a few years since, the average pay of all the ministers in the state of Connecticut was \$500 per year, it would appear, judging from the financial rewards received for services, that the failure of our educational system is not confined to the popular branch.

Many who, like the writer, are dissatisfied both with the insufficient remuneration received by the majority of the liberally educated and the small number of American boys trained in productive industry, and attributing both results in some measure to the faults of our educational system, turned with interest to the pages of *The Forum* for the opinion of so distinguished an educator of educators as to the cause of the admitted failure of popular education.

All such found the main processes or operations of the mind which systematic education should develop and improve classed under four heads. First, observation. And for this purpose it is vastly better that the student study one subject thoroughly than several superficially. He should learn to distrust the evidence of his own senses, and to mark the profound distinction between fact and inference. Second is the making of a correct record of things observed. In this drill the conscience cannot fail to be refined and instructed. Third, education develops the faculty of drawing correct inferences from recorded observations. It is the patient, candid, impartial,

universal method of modern science; accepting the possibility that the first grouping may be wrong or the first sampling deceptive. Fourth, education should cultivate the power of expressing thought clearly, concisely, and cogently.

Excepting the development of a universal reasonableness referred to at the close of the article, these four functions seem inclusive of all the necessary processes of thorough mental training. And President Eliot has expressed himself with clearness, showing also, with considerable detail and distinctness, his methods of observing, recording, and inferring. As these mental processes have a more direct influence on success in life than the power of clear expression, an examination of Dr. Eliot's probable methods of instruction may interest those who attach importance to the generally recognized failure of our institutions of learning to give an education of practical value.

Let us look at some of his examples of popular delusions, founded, as he says, on the commonest of fallacies. As: because of protection here, with higher wages than in free-trade England, high tariffs cause high wages. With this common fallacy there is closely connected another still commoner,—that where two pieces of work are looking for one man, the man will generally arrange his compensation, but where two men are looking for one piece of work, the conditions are reversed. Now, the last-mentioned fallacy, which underlies the first-mentioned, finds such support, both in the wage-fund theory, said to be taught at Harvard, and in general considerations of the interacting effects of supply and demand, that President Eliot, it will appear to all, should have proven a lack of connection between a high tariff and the number of pieces of work looking for a man in this country before he allowed himself to call this commonest of ideas a fallacy.

Taking the next so-called popular delusion: Since 1871 we have taxed those bringing Bessemer steel rails into this country from \$28 to \$13.44 per ton, and such

rails are undoubtedly cheaper now than they were twenty years ago, when the average price for the year was \$113 gold, or \$120.50 currency. Then, in 1873 the world's production of Bessemer steel ingots was nearly 1,165,000 gross tons, of which we made 13 per cent. In 1890 the total production was over eight and a half million tons, of which we made 42 1-2 per cent. The claim that this increased production has cheapened the steel can hardly be called fallacious, nor can it be said that the sources of the world's supply, being much more widely distributed now than then, placing the steel maker nearer both his supply of raw material and his consumer, has been inoperative in reducing the cost to consumers. But unless this claim is made and maintained, it would seem to be necessary to prove that the protective tariffs, notably of this country, Germany, and Russia, have been ineffective in either widening the area of production or increasing its amount.

Calling attention to the fact that very few persons scrutinize with sufficient care the premises on which is based the reasoning that leads to a well-grounded conclusion, so that a plausible argument may have strong influence when the facts on which alone it could be firmly based have not been thoroughly and accurately determined, Dr. Eliot cites Mr. Carroll D. Wright's carefully-stated conclusion that the difference between the direct labor cost of one ton of steel rails in the United States and in England is \$3.78; and says it is obvious that as the duty on one ton of steel rails is \$13.44, the amount of this tax stands in no close relation to the difference between the cost of the American and the English labor; that, therefore, some other motive than the protection of American labor determined the amount of the tax.

As pertinent to the above conclusion and the rationation dependent thereupon, the following carefully made and easily verifiable statement is submitted: The eighty and odd thousand million ton miles of freight transporta-

tion on the railroads of this country in 1891 could not have been carried in the same time on the backs of all the men and women of laboring age in the world. This ton mileage, and the transportation of over half a million passengers, was conducted by some eight hundred thousand men. Dr. Eliot will doubtless admit that there is no close relation between the cost of transportation by railroad and its cost by packing. The governing factor in all considerations of labor cost is the influence of machinery. This has been set forth with great clearness in Mr. Edward Atkinson's "Distribution of Products," and it is matter of surprise that President Eliot has not seen it.

But when the compensation of labor is low, it will not pay to substitute machinery for hand labor, and the more intelligent and higher-priced man is not employed. As, where a man at \$3 per day with a machine produces as much as three men at 90 cents per day without the aid of machinery, the man with the machine is an economic blunder, and it is obvious that any protection to the article so produced would stand in no close relation to the difference between the cost of the American and the foreign labor. If it is urged that the three men should be employed, it seems by the same reasoning that our railroad system with its economy of labor is a mistake. So that all economic arguments neglecting the influence of machinery in increasing production tend, so far as they receive acceptance, to reduce the remuneration paid laborers engaged in production. They are also dealing with the economic man described by Mr. Ruskin as the mental product of his brother English professors.

After truthfully observing that, throughout all systems of education, too much reliance has been placed on the principle of authority, as an example of "instructive argument" Dr. Eliot refers to "the prophetic argument of Mill that industries conducted on a great scale will ultimately make liberty of competition illusory, and will form extensive combinations to maintain or advance prices."

Against any implication that prices in this country have been advanced, or even have been maintained, in spite of the great scale on which we produce, the following extract from an article, "The State of Trade," in the *New York Evening Post* of October 24th, 1892, is submitted:

The year 1892 will hereafter be remembered as an era of unprecedented low prices, not only for commodities, but for money and securities.

As the article appeared in a part of this journal not usually guilty of misstatement, a part which it is understood professors seldom read, reference may be made to the well-known fall in freight charges on the railroads of the United States. Within the past twenty-five years the average charge for transporting one ton of freight one mile, or the charge per ton mile, has fallen to about one-fourth of what it was. In no other country has the railroad industry been conducted on so great a scale, or have railroad combinations covered either so much mileage or involved so much capital, and in no other country are freight charges lower or the liberty of competition less illusory.

In England, on the contrary, with a capitalization equal to only about half of ours, and with about one-eighth of our mileage, there having been no great railroad industry since 1845, no noticeable decrease in freight rates has occurred since the adoption of free trade, and nowhere has the liberty of competition been more illusory, in no manufacturing country are freight rates higher. Mr. Mill's utterance was doubtless prophetic; but he did not prophesy for us, in this instance, or in that other, when he predicted that free labor in our cotton fields would be less productive than slave labor had been.

The data and the theories selected to illustrate the failure of popular education, and the reasoning which logically follows, have been examined at some length, as not only the views of one eminent in his profession, but as representative of those held by a large majority of the educators of this country, and consequently furnishing the ultimate convictions of our best thought.

From the time the university over which Dr. Eliot presides was founded by our protesting and pious forefathers, popular education has been closely associated with and dependent upon such institutions. Until within the last few years there has been no noteworthy improvement in the scheme of higher education, yet its beneficiaries have held prominent and honorable positions in the affairs of the country, and have secured a fair share of this world's emoluments; meanwhile, little fault was found with the methods and results of popular education. Since that time, the great improvements made in higher education have reacted on popular education, and President Eliot's paper, among other notes of dissatisfaction and demands for improvement, is in evidence. The assertion that the liberally educated class is absolutely worse off than twenty or thirty years ago might be thought extreme, but no one will doubt that they are relatively so. A heavy percentage of the graduates from our colleges find that the public does not value the services they can offer as highly as those of an average operative in a New York factory; or in other words, they come out of college without the ability to contribute anything of value to the welfare of their fellow-men, and the mechanic with his family receives the larger reward.

Thus far there has been no general expression of dissatisfaction by graduates with the course of instruction pursued in our colleges. As a matter of fact, more heroic measures have been called for by the directors of the educational public opinion. The graduate's mind has been so steadily and thoroughly directed to the injustice of giving the greater pecuniary rewards to mechanics that our best thought has been found on the same political platform with the foreign-born professional labor agitator and the anarchist, interchanging sympathies and arguments, instead of resolutely questioning the value of the educational methods under which their relative position in life has been lowered. This action will neither improve present methods, advance the interests of educated men and women, nor add to the

national prosperity. For some time now the methods presented by teachers of advanced thought have been upon trial. Judged by their results, they do not impress the observer as being based on careful investigation of facts or close reasoning from the assumptions adopted. Such methods, in many instances, result in thorough education in the system and as thorough dissatisfaction with the result. In other cases success is indicated from the start, but it cannot be shown that this success is due to the present plan of education. The writer does not aspire to be the founder of a new system of education; he but desires that the attention of those more conversant with both the methods and the results of the present system shall be fixed upon the necessity for a plan of higher education more reasonable in method and more productive in result.

EDWARD P. NORTH.

Liquor and Politics.

The prospects for removing the liquor question from politics seem to improve. Prohibitionism, as a national party, seems to be on the decline, though it has had but a short and wintry day, and has never attained the near vicinity of the political zenith. The Republicans have ceased to offend what Mr. Sheridan Shook used to call the "Republican saloon-keepers," and the Democrats, satisfied with the virtual shelving of the issue, have ceased to pose as the special friends of the liquor interest. The fact is that no set of extremists has been quite able to get the public ear, and hold it for any length of time. The public has been ready to concede the uses of the prohibition principle, in some small local-option communities, as the basis of reasonable protest against sumptuary legislation, arbitrary interference with the personal rights of the citizen, and the evils of the saloon in politics.

Though it might have been expected that the most effective protest against interference with individual liberty in this connection, or in any other connection, would proceed from American sources, it must be admitted that in this case it has come from the foreign-born element. The Germans, in particular, quite naturally pointing to their record as good citizens, have protested against laws that make it a criminal offense to sell or to drink the beer which they regard as the legitimate successor of maternal milk. It is a fact, and a fact which we cannot get away from, that the free consumption of artificial beverages is an essential part of the standard of living to which our best immigrants from continental Europe are accustomed. The progress of mankind raises, it never lowers, the standard of living; and here, as elsewhere, it may well be doubted whether a proposed reform, whose aim it is to deprive an important portion of the population of an article

of consumption considered essential will succeed until, recognizing the true principle of social reform, it reforms itself before trying to reform others.

The standard of living is to be elevated by multiplying human desires, not by reducing their number. The sale of liquors thrives because of the substantial character of the desire for variety in the gratifying of thirst. Just why such a question should be in politics, just why its presence in politics should be a fruitful source of electoral and official corruption, amounting to an alarming evil, is not to be determined from the nature of the question itself, excepting so far as its nature furnishes us with an explanation of the resistance encountered by anti-saloon politics. Its interest differs in degree only, not in kind or essence, from the interest that would be excited if the use of tobacco, or of indigestible pastry, or of hypodermic injections of morphia, were made matter of political discussion, and parties organized and platforms written because of the evils that follow the abuse of tobacco, pie, or morphia.

The peculiar prominence of the liquor question must therefore be chargeable to the way in which this generation has attempted to answer it. The result of dragging it into politics has been, of course, the organization of the liquor interest as a particular political factor, and the extension of retail saloons, backed by wealthy brewers or distillers, largely for purposes of propagandism and for the protection of old business as well as the creation of new. In other words, saloons are more numerous because of anti-saloon politics, and votes are as much the *raison d'être* of many of them as drinks. Such is the "condition that confronts us," and it is not a theory. A theory does confront us, however,—the theory of the maintenance of the standard of living; and for once condition and theory point in the same direction,—in the direction of a change in the method of dealing with the evils of the political saloon. For the condition is a result of violation of the theory; it is a result of the resistance which men naturally offer to the im-

pairment of their standard of living. This diagnosis is confirmed by the fact that in Germany, for instance, where the standard of living is not impaired at this particular point, the conditions prevailing here do not exist.

There is no "high license" in Germany. The law lays its hand, not on those who sell liquor, but on those who sell it in a manner directly perilous to public morals. It has no point of contact with the man who opens a beer-house, any more than with the man who opens a coal-yard or a butcher-shop. But if the beer-seller demoralizes his fellow-man, for instance, by selling to him when he is already drunk, he is treated as an enemy of society, just as the coal-yard man is if he is caught selling by short weight, or the butcher if he is caught selling putrid meat.

It is a striking development of the recent trend of discussion of the saloon question that an excise reformer of no less prominence than Bishop William Croswell Doane, of Albany, should have suggested in a recent article the possibility that the plan of abolishing liquor licenses altogether might be worth trying. Probably two chief factors have combined to lead this eminent clergyman to offer this suggestion. One factor we may suppose to be his observation abroad, his duties as bishop in charge of the American Episcopal churches on the continent of Europe having frequently called him to visit that region. The other factor, we have equal right to infer, is his observation of the increase in the number of saloons here that has resulted from the organization of the saloons into political rifle-pits. This multiplication of saloons must increase the temptations to intemperance; and the Christian clergy, represented by Bishop Doane, well know that to develop moral vigor in the individual, the element of avoidance of unnecessary temptation, as well as of resistance to necessary temptation, must be considered.

Religious bodies and the state have distinct functions in handling the liquor question. It is the business of organized religion to elevate the individual's moral standard of

living and the character of his desires. It is the business of the government, as Mr. Gladstone once put it, to make it as easy as possible to do right, and as difficult as possible to do wrong; that is, so far as environment is concerned. The church is concerned with human organism, the state with human environment.

It is quite probable that if any one State, say New York, were to leave unrepealed for ten years a law declaring that no license should be required or fee exacted for the sale of liquor, except in sporadic individual cases, the saloon would go out of politics entirely. There would be no reason why it should stay. At the same time the laying of the firm hand of the law on saloon-keepers who are guilty of selling to a drunken man, or of keeping a disorderly house, or of any other in the calendar of "excise crimes," would not tend to impair any standard of living, but would rather point to a higher standard. The fearless application to the liquor question of this principle—the principle that the standard of life, whether sumptuary or moral, is always to be maintained and elevated, never impaired or attacked, can be peacefully made. The two hands of truth do not fight each other: they clasp.

KEMPER BOCK.

A Practical Hint to Social Reformers.

Attempts to propose a remedy for inequalities in the social status are often governed by subjective theories rather than by facts and data which constitute the precipitates of experience and clearly indicate the properties of natural law. The many failures to shape these laws to arbitrary measures have proved their consistent momentum; and it is beginning to be appreciated that the conditions to which we are subject in the evolution of society are determined in degree by the application of principles inherent in those forces which have reared the social structure of to-day. We find our economic laws, we do not make them; and whether they are to be determined by continued and indefeasible experiment or by rational methods of reasoning is a question of interest to every one, and would seem to leave small room for argument.

If we could be satisfied to wait, the determination might come of itself; but there are times when patience is without virtue, and without reason as well. Fortunately the ground of science in the social domain has been so well furrowed as to afford the student definite lines to work on; in fact, the inductive essentials are all thought out, and have taken form in black and white, rendering the task comparatively easy,—simply one of discriminating selection and observation, with a text-book for guide to the royal road to equilibrium.

Special education in the relation of capital to labor is now demanded, for the master as well as the workman, for the state as well as the individual. The general sense of the community is colored with an apprehension that economical ethics is too abstract a study for ready comprehension, too uninviting for investigation, and of little practical value in any case; the compass of a limited horizon is enough for its members, and they are satisfied

to leave the field of economics to students and statesmen. Now and then a ripple on the blank face of ignorance will be excited by the exploitation of some plan of salvation which goes behind the breastworks of society for its inspiration, and hopes to equalize matters by robbing the Peters to pay the Pauls. It is true that such theories appeal to many for reasons of self-interest; but sooner or later they fall into that state of desuetude which the papers call innocuous, while the disciples go home to wait for the evolving of another scheme, and the non-converts, perhaps, drift further away from legitimate doctrine.

With some of the late exhaustive treatises bearing upon social economy, it is only necessary to take up the subject to gain a clear insight into its theory. There are undoubtedly now many students and conscientious exponents of economical relations, but the ratio is small to the intelligent and thinking class, and smaller still to that class who cannot or will not accept logical conclusions, but are prone to follow the trend of general opinion.

It has been hinted that the women of the Browning and Ibsen Clubs, who find mental occupation in sounding the subtle depths of isms, of most wide-reaching range but often of shadowy outline, will make a movement to introduce more live subjects for study, which will be at once interesting, comprehensible, and debatable. The sciences, social and political, would become familiar quantities in their hands, and the men, in very defense, would be compelled to understand them. It might be suggested, however, that there are teachers and teachers. The pupil might start with an untenable theory, and develop his ideas in wrong directions; for there is no accepted authority to announce, for instance, whether the wage-fund theory, or that of supply and demand, or that of the standard of living, should indicate to the student the nomenclature of his text-books. The difficulty here presented will remain a difficulty only so long as each theorist is supported by a following as small as it is erratic, and apt to conform logic

to its own philosophy. The only supportable theory will find its level, and quickly, when the press and the public shall enter into economic analysis and discussion, with a determination to solve the problem.

The work of special education has received its first impetus, and is going forward. How it may be advanced is a question of public interest. Agitation must of course be the moving factor, but it should be rational and methodical. The distribution of literature at fertile points, and the establishment of schools and lecture courses, are present methods that call for extension. The resources of the press are endless, and could be further devoted to the work, while manufacturers' clubs for the propagation of knowledge might spring up all over the country if the initiative were given in the metropolis. Plans should be made for animating the methods of directing into proper channels the speculative disposition of the people, which has long engaged the principles of economics, though blindly in a measure, and is now open to the point of receptivity. Just how an exact sense of the justice of ethical science will have a bearing on every-day life is what the masses will ask. This "how" involves the whole theory, which should be exhaustively treated with the aid of text-books, presenting the conditions which would necessitate an advance in the general standard of living, shorten the hours of labor, take mothers of families from the loom and the mine, place the children in school, make homes where before were hovels, raise wages to the newer standard, and make life better worth living.

NORRIS JACKSON.

The Economics of Advertising.

The expenditures for newspaper advertising in this country constitute about one-half the entire revenue of the periodical press, are estimated at \$100,000,000 per annum, and are rapidly increasing. Perhaps all other forms of printed advertising cost as much more. What does society get in return for its \$200,000,000?

Many political economists aver that advertising is practically a waste incident to the competitive system of distributing commodities; that it is merely a device for diverting trade from one dealer and attracting it to another without rendering any real service to the buyer or to the dealers as a whole; that it is an expense which the dealer may at his option incur and saddle the burden upon the consumer. Based upon this theory are the remedies offered by the monopolist and the socialist.

But is advertising essentially an evil of the competitive system, or is the fact that advertising exists under competition a guarantee of its real utility? Let us inquire how far competition prohibits needless expenses and insures economy in distribution, and at what point it fails to do so. Competition, while it does not insure economy in the work of distribution as a whole, does compel the individual dealer to practice rigid economy. He cannot incur any expense of a kind which adds to the price of the commodity unless the buyer is so served thereby as to induce him to pay the increase. If through advertising, for example, no adequate service were rendered, competition, instead of compelling the use of it, would prohibit the needless expense. The point at which competition fails is its inability to prevent the multiplication of a necessary expense for a service which in itself is useful, without thereby proportionately increasing the service rendered. This is no more true of the item of advertising than of other expenses like interest,

rent, etc. Competition alone does not prevent the building of a parallel road where one is entirely sufficient. The second store carrying a similar stock of goods doubles the tax upon the community for rent, interest, insurance, and shelf-wear without improving the service to the community in anything like the same proportion. In fact, one dealer can afford to render far better and cheaper service than the two can. It is true, competition tends to force each of the two dealers to do better by his customers than either might be disposed to do without that pressure. Competition is not a producer, however, but a policeman for whose inadequate protective service we pay dearly; and while competition is powerless to prevent duplication of expenses, it does insure that only such kinds of expense are incurred as are consistent with efficiency and economy. Competition thus vouches for the utility of advertising as a part of the machinery of distribution.

The office or function of advertising may be indicated by roughly analyzing the work of distributing commodities. What service does the merchant render society, using the term merchant in a broad sense? As we understand it, he does three necessary things, and only three, namely: 1. Makes the commodity known to the consumer. 2. Moves it to the place where wanted. 3. Holds it till wanted. Each of these steps in the work of distribution varies in importance and in expense according to the nature of the commodity and the conditions under which distribution is carried on.

As knowledge of a commodity must precede its sale, making a thing known to the consumer is as necessary a step in its distribution as moving it to him. Though this fact is often lost sight of, it is the most essential point peculiar to the important problem of economical distribution. With a large class of commodities the work of making them known is so great that the cost of transportation cuts an unimportant figure in the expense of passing them from maker to user. There are numerous articles which it

costs less to produce than to make known, a much smaller portion of the retail price going to the manufacturer, strictly as manufacturer, than goes to defray the expense of distribution.

The magnitude and importance of making the consumer familiar with the products of the producer are greatly increased by changed and changing conditions. Chief among these are the increasing distance between the producer and consumer due to the concentration of manufacturing at large centres; and the increase in the number and complexity of the wants of consumers on the one hand, and the consequent multiplicity and intricacy of products on the other.

To bridge this widening gulf, establishing easy communication and bringing maker and user into closer touch, is the difficult task in which the merchant seeks the aid of the printing press. Advertising is the application of steam power to the dissemination of that knowledge of the utility of commodities which is necessary to their widest use and greatest usefulness. The efficacy and economy of advertising is as great as the difference between the use of the tongue and the use of type in the distribution of ideas. Advertising does not impose a new tax upon the consumer, nor add a new step to the work of distribution, but simply substitutes new methods and machinery for doing what must otherwise be more expensively and less efficiently done by crude and antiquated methods.

The economist in his theory of the uselessness of advertising, and the granger in his resolutions against the middleman, both ignore a most important part of the necessary work of distribution. For excessive cost in distribution is due, not to arbitrary exactions, but to the doing of difficult work to which improved methods and machinery have as yet been applied only to a limited extent.

By preventing the duplication of expenses by numerous dealers the monopoly effects an enormous saving, but such saving applies to the cost of advertising no more than

to various other items of both producer and distributor which go to make up the retail price. And if to the union of producers in the monopoly be joined in partnership the consumer in a socialistic order, the necessity for the essential work of the advertisement still remains. For the real subject of advertising is the commodity; and the competition which makes advertising necessary is not between producer and producer, nor between distributor and distributor, but between commodity and commodity. Much ill-conceived printed matter which passes under the name of advertising tends to conceal the fact that the true and only purpose of advertising is to throw light upon the commodity. The distributor is nothing except as an advertiser and handler of the commodity.

Beside the fact that enormous savings can be effected by co-operation or union in distribution, there is the equally important truth that private ownership in the right to produce and distribute new and improved commodities exerts an enormous force in the advancement of civilization. Few new inventions, for example, are of such a nature, no matter how valuable, as to be rapidly self-selling. The distributor, once passive, is now aggressive. The proprietor of a new article, calculated to contribute to the well-being of its user, does not sit and trust to chance for people to learn of its value. He takes the vague discontent or need of the public, changes it into want, and the want into effective desire—demand; and in supplying the demand which he has developed by making his article known, derives a small commission upon what is perhaps a vast advantage to society. His incentive is due to private ownership, and the great instrument in his hands is advertising, a means of communication of which we are learning the A B C.

EMERSON P. HARRIS.

Among the Magazines.

The Indian in the forest may own his tepee, the Arab in the desert his tent, but great groups of the civilized sons of men have not where to lay their heads.

—Thus laments Mr. Erastus Wiman in the *North American Review* for February, not realizing that it is precisely because they have reached the plane of civilization, with its broader horizon, its vivifying air, its inspirations and aspirations, that the sons of men no longer need, are no longer content, to pass placid lifetimes beneath the shadow of their own vine and fig-tree. The statement is true, but this is not cause for lamentation: it is rather a notable example of the even unconscious adaptation of modes of life to a changed standard of living. Tepee and tent well illustrate the only conditions of life possible under individual ownership of homes by the class in whose interest this earnest paper is written. The plan and mode of operation of building associations are clearly and concisely explained, and receive the author's unqualified commendation.

It shows, he says, the slow growth in economic science that there has been so little attention given to the possible cessation of rent. . . . No movement is more productive of the best efforts of humankind and there is no greater safety for the republic than is founded on the universality of homes owned by the working people.

This is rather shallow sentiment than economic statement. The plain, prosaic fact is that no man on a salary can afford to own his home. The Indian owns his tepee, the Arab his tent, and what follows? Precisely what follows when the laborer owns his shanty, the salaried clerk his house. There is no capital for improving, for repairing, or enlarging the home, no time or thought to give to the consideration and adaptation of improved methods of sanitation. The individual owner of his home, unless he be a capitalist, must live in the tent or the shanty or the small,

inconvenient house, because he has not the means or the acquired knowledge necessary for the betterment of these conditions. And conditions of outward environment affect not only physical well-being: they influence the mental status, they determine the standard of life. The world is slowly turning from sentiment to science, from tradition to truth, and recognizing those economic laws on which alone individual or national life may be safely founded. Its earnest gaze is fixed, not on Indian or Arab, dwelling on the dreary level of ignorant content, but at the man of the future, who,

Moving up from high to higher,
Becomes on Fortune's crowning slope
The pillar of the people's hope,
The center of a world's desire.

—Two articles in the same Review outline the disastrous past and the promising present of the problem of inter-oceanic navigation which is interesting all civilized nations. Admiral Ammen writes "Recollections of the Panama Congress," which, had they been published fourteen years ago, directly after the convening of the Congress, might have foretold, with precision of result if not accuracy of detail, the disastrous ending of the great enterprise. Senator Morgan's article, "Government Aid to the Nicaragua Canal," presents facts and the opinions of eminent engineers which

eliminate all other canal projects from discussion, and leave us to consider alone the political and financial questions presented in the project of the Nicaragua Canal.

These questions are clearly and concisely presented, leading to the conclusion that

the Nicaragua Canal should be built by the aid and controlled by the influence of the United States,

with the sage comment, uttered in a tone of warning:

The people who have money will build this canal if no government takes it in hand,

a virtual admission of the economic truth that commercial and industrial needs are more promptly and certainly met

by individual enterprise than by governmental action. This being granted, there is no escape from the logical conclusion that the medium which most promptly and certainly supplies an existing demand will with equal promptness and certitude adapt that supply to the varying exigencies of demand. The machinery of government is too cumbersome, too slow-moving, for accurate adjustment to the complexities, the sudden changes, the urgent crises of commercial or social life.

And rowing hard against the stream
Saw distant gates of Eden gleam,
And did not dream it was a dream.

—The man of the artistic temperament, who can be dazzled by the beauty of a theory into absolute inability to perceive its fallacies, who delights to feed his intellect with the stuff that dreams are made of, may do many things rarely well; but, though he may melt with compassion and thrill with enthusiasm, he cannot solve the “riddle of this painful earth,”—he cannot write rationally on economic problems. “Are We a Prosperous People?” is the question discussed by B. O. Flower in the *Arena*, and in sorrowful negation an array of statistics from reliable official sources is set before us, showing that more evictions took place in New York City in 1892 than in Ireland in 1890, and pessimistically presenting the fact that there are now on file in Washington the abstracts of about 9,000,000 mortgages. Whether the disproportion in the number of evictions is due to their diminution in Ireland or their increase in New York City is not indicated. Ireland has recently given us some striking specimens of socialistic legislation in regard to rents. An Irish tenant now has only to go to court, and show that he is unable to pay his rent, and his landlord is compelled to reduce it, to suit the circumstances of the case, twenty-five or fifty per cent. Perhaps Mr. Flower would like to introduce this law into New York. If owners of houses could be prevented from col-

lecting the rent on the showing of the tenant that it would be difficult for him to pay, there probably would be no evictions—and very little rent. The editor of the *Arena* evidently regards mortgages as evidence of declining prosperity. Nothing is further from the mark. The great bulk of our mortgages represent capital borrowed for farm improvement or extension, for buying more land, erecting new buildings, procuring improved machinery, etc., all which is evidence of enterprise and prosperity rather than of poverty and failure. It is the bane of socialist thinking that it reads misfortune into every step of advance. Mortgage is simply one of the numerous forms of borrowing capital, and borrowing capital is always an evidence of success. Indeed, only the prosperous can borrow. The greatest amount of interest-bearing capital, as every one acquainted with business methods knows, is borrowed by the successful business concerns. Still, making due allowance in the one case for the fact that New York, as our largest city and principal port of entry, must in such an investigation make a worse showing than other cities, in the other for those mortgages which are rather in the nature of investment than financial embarrassment, there is tragedy in these figures which no one can consider unmoved. The dreamer, looking at them through tears of the purest compassion, is inspired with instant humanitarian ardors, and evolves remedial theories as perfect as poems and about as reasonable and scientific as the methods of the genii of Arabian fairy-tales. The practical man, shocked, appalled, at the magnitude of the evils, is yet conscious that this very magnitude precludes all possibility of sudden transformation. The sad waters of the deluge were long in subsiding; the earth-wounds made by fire and ice were ages in healing; and suffering and shock and bursting of the bonds of life intervened between the platted thorns and the halo's radiance. Nature or human history shows no miracle of sudden growth; always is there the slow development from seed to fruitage; and no miracle

can work the elevation of humanity from misery to content,—neither change of financial policy, nor naturalization of railroads, nor the abolition of direct taxation. Study of economics as a serious science, and the gradual application of its principles as certainties, not as experiments, will do much for the race; but to men, not things, must come the change that will bring “the royal heritage of justice, and freedom for man, woman and child.”

The basis of all oppression is dependence on the oppressor. This has been the condition of woman in the past, and still is so. Woman was the first human being that tasted bondage. Woman was a slave before the slave existed.

—Thus quotes Mrs. Helen Campbell in the first of her series of papers on “Women Wage-Earners: Their Past, Their Present, and Their Future,” begun in the January *Arena* and continued in the February number. Beginning at the beginning, before women became wage-earners, all causes, physical and sociological, which in themselves and by their inherited and traditionary impress have defined woman’s position as a wage-earner, are traced from their origin. With the premise that all early economic life was based on slavery, Mrs. Campbell, starting from the times when the survival of the fittest was determined by brute force, passes in rapid review the workings of economic laws on Greek and Roman life, on France under the guidance of Sully and Colbert, on the Italian and Dutch republics, down to the time of De Gournay and Quesnay, of Turgot and Adam Smith. In all this time, except in France, “women had no place in any system of political economy, nor did their labor count as a factor to be enumerated.” It was the cotton industry that made wage-earning possible for the women of America, and the remainder of the first paper is legitimately devoted to a consideration of the factory system, from its inception, when the operatives came from the homes of Puritan New England,—conscientious from habit and tradition, skilful, quick, adaptable as a result of the conditions of a family life where everything re-

quired for home consumption was produced at home,—to the time when “immigration lowered wages,” and the Irish, the English, the German, and the Canadian immigrant in turn monopolized the factory work of New England. There is just here a mistake in statement. As a matter of fact and figures, immigration did not lower wages. A table, the accuracy of which has not been questioned, given in a recent consideration of the subject,* shows that wages increased over one hundred per cent. in American mills between 1830 and 1880. Mrs. Campbell concludes that the factory system has raised the standard of living among American workers.

Taking workers as a whole, a vast advance shows itself. Regularity and fixed rule have often been the first education in this direction; and the life, even with all its drawbacks, has the right to be regarded as an educational force, and the first step in this direction for a large proportion of the workers in it.

The second paper gives a comprehensive statistical summary of the occupations in which women are employed and of their general social and economic conditions, and leaves the reader “ready to consider the general rate of wages and of the status of the trades of every nature in which women are now engaged.”

—That there are radical defects in our present educational system is generally acknowledged, and timid and tentative efforts at remedy or revolution are being made in different directions. Now to these conscientious toilers comes the inspiring cry, Eureka! Says Professor Jos. Rodes Buchanan, in his paper on “The New Education and Character Building” in the February *Arena*,

I present as a discovery in psychology the principle that the eye, being our most intellectual organ, acts chiefly upon the intellect, and only through that reaches the effective elements of character; but the ear has its association in the brain with the region of feeling, and through that reaches all the elements of character,

and with the enthusiasm of conviction—a conviction, let it be said moreover, well supported by argument and illus-

* Gunton's Principles of Social Economics, p. 347.

tration—the author outlines the place of this principle in the new education, and predicates the necessary results of its application.

—The *Review of Reviews* for February, in the course of a comprehensive notice of Dr. E. R. L. Gould's article on "The Social Conditions of Labor," makes the remarkable statement, which Dr. Gould himself would hardly have made for it:

Dr. Gould's paper is notable indeed as giving expression to the first distinct protest against the doctrine that thrift is one of the greatest of virtues . . . that the saving may sometimes prevent the civilization of the toiler, and is therefore morally and industrially bad.

The paper is indeed notable, but not for the reason assigned; indeed, a writer might with propriety hesitate to undertake the review of so important a contribution to the subject when his acquaintance with the recent works and the current literature of economics is so slight as to allow him to make this claim. The "distinct protest" was first made by George Gunton in "Wealth and Progress," elaborated in "Principles of Social Economics," and is supported by fact, comment, or argument in every issue of the *SOCIAL ECONOMIST*. In the School of Social Economics, moreover, established to meet the demand for a system of education which should fit students for the practical life of the age, the affirmative doctrine that wise expenditure, not saving, is the great lever of human progress, is taught, not as an isolated pronouncement, but as an integral part of a theory of social philosophy which deals, theoretically and practically, with the great problems of the day.

FREE LANCE.

Editorial Crucible.

Correspondence on all economic and political topics is invited, but all communications, whether conveying facts, expressing opinions or asking questions, either for private use or for publication, must bear the writer's full name and address. And when answers are desired other than through the magazine, or manuscripts returned, communications must be accompanied by requisite return postage.

The editors are responsible only for the opinions expressed in unsigned articles. While offering the freest opportunity for intelligent discussion and cordially inviting expression of well-digested opinions, however new and novel, they reserve the right to criticise freely all views presented in signed articles, whether invited or not.

THE TWO LEADING countries of the world, America and England, have recently decided by popular vote to transfer the administration of their public policy to new political parties. From what is known of the programme of these new administrations, Mr. Gladstone appears to be trying to Americanize England and Mr. Cleveland to Englishize America.

IT HAS been unqualifiedly announced by the *New York Times* that Mr. Patrick A. Collins, of Boston, is to be our next representative to England. It will be interesting to see how the Mugwump Democrats, who so soundly berated President Harrison for appointing Patrick Egan Minister to Chili, will accept Mr. Cleveland's appointment of the ex-President of the Irish League as Minister to England. Will they abuse Mr. Cleveland as they did Mr. Harrison for catering to the Irish, or will they, as in the case of the love-feast with Tammany, conclude that "the king can do no wrong"? There is no reason why a party which owes its success chiefly to Irish votes should not appoint Irishmen to office; but if it was bad taste and political venality to

make an Irishman Minister to Chili, what must it be to send one to England? There is one advantage, however, in sending Mr. Collins to London: if he is unable to render much service to America, he may be trusted to do good work for the Irish party in Parliament, and so furnish another contribution from America to the cause of Irish Home Rule.

THE COLLAPSE of the Reading deal is another object-lesson on the difference between uneconomic combination of speculative capital and the economic concentration of productive capital. It demonstrates the truth of what we pointed out in our last issue, namely, "*that an increased concentration of capital and commercial power in fewer hands is justifiable only on the condition of improved service to the community, either in better quality or lower price of what is furnished.*" The Reading combination furnished no better service, and rashly, and so far as any evidence appears unjustifiably, raised the price of coal to the community. It thus violated all economic conditions of capital concentration, and, like the failure of the copper trust, its fall is but the just economic retribution, that should be, and in the long run must be, meted out to all who endeavor simply to acquire wealth at the expense of others, instead of by rendering better service to the community. The immense loss inflicted upon those who participated in this scheme ought to enforce the economic lesson implied, and relegate to the rear such men as McLeod, who have not learned to distinguish between the uneconomic use of capital for squeezing others and the economic use of capital for improving production.

MR. CLEVELAND has at last completed his cabinet, and, reading over the names from Gresham to Olney, one is impressed with the extent of the unknown quantity. He cannot however be charged with having made up his cabinet from prominent politicians. Carlisle is probably the only one who makes politics a business. Judge Gres-

ham has indeed tried to do so, having been several times candidate for President in Republican conventions. The selection for Secretary of State is open to one of two interpretations,—either that it is a political trade, awarding the highest prize to the most recent convert, or that Mr. Cleveland found a dire scarcity of good material out of which to make a Secretary of State, and was compelled to take a deserter from the enemy's camp whose Democracy was less than one hundred and fifty days old. However, things cannot always be correctly judged by appearances. The cabinet may be better than it seems. The reputation of the Democratic party is at stake, and the man whose nomination and election the party leaders could not prevent has chosen his assistants to administer its policy. The next four years will demonstrate the wisdom of the election and the capacity of Mr. Cleveland and his cabinet to deal with the momentous problems with which they will be confronted. Our only duty now is to await the result and hope for wisdom, with such faith as we can command.

THE DIFFICULTIES of the new administration are increasing apace. As if the perplexities of the silver question were not enough, the New York *Sun* and other straight-backed Democratic journals are insisting that the Democratic party cannot this time afford not to live up to its platform pledges. It seems cruel to demand that one who is fundamentally wrong should be required to live up to his error. Yet the party declaration that it is "a fundamental principle of the Democratic party that the federal government has no constitutional power to impose and collect tariff duties except for the purpose of revenue only" was so definite and unmistakable that these Democrats and the confiding public are justified in thinking that both the incoming administration and Congress have no alternative in honor but to squarely face it. There is force to the *Sun's* position that not to abolish protection root and branch will label the Democrats as political humbugs and

render them unworthy of the confidence of the public; yet few who put national prosperity above party pride would desire to have this plan carried out. The welfare of the nation is more important than the reputation of a party, and it is to be hoped that the new administration will take counsel of common sense, and if it deals with the tariff question at all, deal with it on a rational labor-protection basis. Of course, this would be turning its back on the party's platform, but it would also be turning its face toward the people. Perhaps this unfortunate experience may result in teaching political parties that it is better in the long run, for themselves and for the country, to lose in the cause of sound statesmanship than to win through political cant.

THE HASTE with which the annexation of Hawaii has been rushed through by the Harrison administration shows that the economic principle of protection is not very clearly understood by its own party. The only real ground for annexing the Sandwich Islands appears to be a sentiment of the American jingoism. It is really an imitation of the English policy of creating foreign dependencies, which is distinctly unAmerican and undemocratic. Just what we are expected to gain, beyond adding a doubtful star to our flag, by annexing Hawaii, it is difficult to understand. Our trade with that country cannot be perceptibly increased, because we have the bulk of its commerce already. As a political element in the republic, it will simply add an increment of barbarism, of which we have already too much in our southern states and cheap-labor immigrants. If Hawaii is to be made a state of the Union, then it can be no other than a decided injury. If it is to be a political dependency, governed by an appointed autocrat, then this is a departure from the principles of republican government, and is a distinct step backward for the United States. In case of foreign war, it simply adds to our expense and weakens our position. The principle of

annexation should be consistent with the evolution of democratic institutions. The United States is the great republic of the world; it should ultimately include the whole North American continent. But if it is to reach that point, it must do so along the lines of industrial and political evolution, absorbing gradually only such populations as can enter the Union without injuring it. The same principle of national protection which justifies a tariff to protect the wages and social status of our laborers demands that we receive no people, by immigration or annexation, who are not sufficiently advanced to live under our democratic institutions without lowering our civilization.

THE EDITOR of the *Troy Press* occasionally furnishes some very odd specimens of economic reasoning. He appears not to hesitate at rushing in where others fear to tread. After some very pedantic performances on the tariff question, he recently took Herbert Spencer in hand for his inconsistencies on the land question, and found no difficulty in pronouncing the author of the *Synthetic Philosophy* a hypocritical apologist for English landowners. After quoting "Social Statics" second-hand from Henry George, whose disciple he appears to be, to show that Mr. Spencer once denied the right of private property in land, he berates him for his opposition to the George confiscation scheme, and says:

The motive of his later utterances is so palpable . . . we are forced to the conclusion that he abandoned his principles in order to retain the approval of his influential and aristocratic admirers, who would not tolerate a philosopher proclaiming the equal rights of all to the use of the soil.

Such an insinuation can injure only the one who makes it. This writer appears not to be aware that Mr. Spencer long ago withdrew the early edition of "Social Statics" from circulation and repudiated the views quoted. It is no discredit to a great man that he changes his views, but it is greatly to his credit that, upon the discovery of his error, he has the courage to at once renounce it. One of

the greatest things John Stuart Mill ever did was to renounce the wage-fund theory, of which he had been the chief expounder. But what shall we say of an editor who persists in quoting a work years after the author has himself renounced and suppressed it? If the intellectual integrity of Herbert Spencer can be impeached only by such pettifogging, it will remain untarnished forever. After disposing of the integrity of Herbert Spencer at one sweep, this single-tax philosopher further remarks:

In this respect he reminds us of George Gunton, who takes some excellent ethical positions in his general philosophical reasoning; but when labor troubles exist, he is as inconsistently and unscrupulously partisan in behalf of the labor element as Spencer is in behalf of the landholding aristocracy.

It never occurred to us before that it was a sin to be on the side of the laborers, especially in the eyes of Democrats, whom we supposed were the only true friends of labor. Of this sin, however, Mr. Gunton is really guilty; he is always on the side of the masses because the masses are the bulwark of society, and to promote their welfare is to promote the welfare of society. Like chronic fault-finders generally, our Troy editor is very difficult to please. Mr. Spencer offends by being opposed to the masses and Mr. Gunton by being for them. If this writer knew more of social and economic philosophy and was inspired less by panacea-mongering and political partisanship, he would see that Mr. Spencer is opposed to the George confiscation idea because, in economic and social progress, private ownership of land, like all other forms of wealth, is essential to individual independence and industrial enterprise; and that Mr. Gunton is in favor of the general demands of the masses against any exclusive right of the classes solely because the social improvement of the masses is the basic force of all industrial advance and political freedom.

Book Reviews.

The Eve of the French Revolution. By EDWARD J. LOWELL.
Houghton, Mifflin & Co., Boston and New York. 1892.
pp. 408.

Mr. Lowell's book is an historical essay with a distinct and practical purpose. The author is not content with a photograph of the clergy, the nobility, and the court of France in the reign of Louis XVI, but insists on an etching, and everywhere shows his skill as an artist for the times. He wrote in the spirit of Emerson's idea that each age must write its own books.

The priests pray, the nobles fight, the commons pay for all ; "such was the theory of the state. France was, in fact, governed by what in modern times is called "a ring." By such a ring will every country be governed, where the sovereign who possesses the political power is weak in moral character or careless of the public interest ; whether that sovereign be a monarch, a chamber, or the mass of the people.

Mr. Lowell keeps the question constantly before us : What does this experience teach that is of value for the conduct of life to-day ? and repeatedly answers the query in a manner as entertaining as it is scientific. He traces through the eighteenth century the evolution of the ideas of patriotism, of equality and liberty, of humanity, of political rights and democracy, and shows the lack of harmony between these ideas and the conditions prevailing in France in the days before 1789.

In successive chapters he treats of the clergy, with their vast landed possessions, their political privileges and immunities, their high living and low thinking ; of the church, whose almost irresistible power had made her "a state within a state," but whose assumption of infallibility had aroused bitter enemies, most prominent among them Voltaire, the apostle of rationalism ; of the nobles, with few political rights but many public privileges, such as a monopoly of the positions of honor in the army and of

profit in the affairs of state; of Louis XVI and his court of corrupt and frivolous women and of intriguing, ambitious, and dishonest men, "too quick-witted to fall into sloth, too proud to become drunkards or gluttons,"—an active and gay world of philosophy and frivolity. But above all and before all he treats of the administration, "a vast system of public offices, with regulations, traditions, and a professional spirit."

The business of governing was carried on by the king's councils and the bureaus, so that if a village in Languedoc wanted a new parsonage, neither the inhabitants of the place, nor any one who had ever been within a hundred miles of it, was allowed to decide on the plan or to regulate the expense, but the matter was reported to an office in the capital and settled there. But Mr. Lowell does not represent the people as downtrodden. He objects to the prevalent fashion of regarding the French peasant before the Revolution as a miserable and starving creature, and his most interesting chapters are those in which he depicts how, in Paris, in provincial towns, and in the country, the Third Estate lived, labored, and grew prosperous. It was this prosperity, according to Mr. Lowell, which made the Revolution possible, and it came because in France, unlike other countries, the minds of the people had risen above their condition.

It is indeed true that to explain the French Revolution, or any social change which is fundamental, by reference to the insufficiency of governmental machinery is to be content with the negative side of things. A powerful, courageous, consistent king, it may be said, might have been master of a good government. It is much nearer the truth to say that the presence of an inefficient head but gave opportunity for the manifestation of the deeper forces, material and intellectual, which had quietly been gaining power in the course of preceding years. The author of this work, however, does not show that foundations of the movement were laid in the wealth of the bourgeoisie and

the prosperity of the mass of the people. He is content with a few quotations and the study of ideas.

His later chapters outline the criticism and protest in the writings of the philosophers, in the pamphlets and in the *cahiers* presented to the States General, and the effect of these. The satire of Montesquieu's "Lettres Persanes" bears fruit when the people begin to feel the loss of customary things. Extravagant administration and vicious officials; an arbitrary, blundering, and despotic system of taxation; diversity of law, and an irresponsible church—made the security of property, person, and income alike uncertain. This insecurity acted as a strong incentive to rebellion and revolution. The times were seen to be out of joint. The government became unstable because it did not represent the true forces of the state.

France had become a despotism in the attempt to escape from mediæval anarchy. In western Europe absolute monarchy was superseding feudalism. Suddenly, although not quite without warning, a third system was brought face to face with the two others. Democracy was born, full-grown and defiant.

The contest has not ceased in our day.

The Stone, Bronze, and Iron Ages. By JOHN HUNTER-DUVAR.
Macmillan & Co., New York. 1892. pp. 285.

The author of this book deals with the ages before Moses, and he does it in a way that is both interesting and instructive. There is just the right admixture of accurate statement and suggestive speculation for a popular treatise.

We live in the age of steam and electricity, of rapid movement and sudden changes. As a consequence we hold high hopes for the immediate future of humanity. But development has been a slow and difficult process. The passage has been long and tedious from the simple, incoherent, indefinite homogeneity of the primitive group, to the complex, coherent, definite heterogeneity of the modern nation. The "civilization" of mankind progresses but slowly. The lifetime of humanity is counted by thou-

sands and by tens of thousands of years—from the period when man was the contemporary of those gigantic and ferocious creatures, the dinosaurs, the ichthyosaurs, batrachians, and pterodactyls; when his means of support were limited to the fruits and berries he could gather; when caves and hollows in rocks were his shelter; and when the only evidences he could leave of his existence were rough stone implements deposited in the river drift or in the shell heaps along the shore of the sea to which he resorted for food when the larder inland was empty or the competition too severe.

The writer does not attempt to “reconcile science and religion.” He thinks there can be no reconciliation where there is no quarrel. Nor does he attempt to solve the mystery of man’s origin. He is content with the evidence that “the earth had become populous before civilization had advanced beyond its first stage.” From that early beginning he studies the steps in advance and the causes which led to them, to the domestication of wild animals, to settled habitations and to agriculture—in a word, to modern progress. How man became distributed over the earth’s surface the author does not speculate, but ventures the opinion that the clue to man’s early migrations will be found by tracing the comparative degrees of ornamentation. The physical wants of mankind are everywhere the same. The aesthetic wants vary. It is by studying these that we can distinguish types.

One cannot rise from the reading of this book without a feeling that the story is exceedingly well told. But where is the profit in studying this long, monotonous period of slow progression? Does it not lie in the truth which it teaches, that all progress comes with and along the line of the increase of the wants of a community, —more and better food, clothing, and shelter; more and higher social, intellectual, aesthetic wants? Greater complexity of life is at once the means and the evidence of progress and of civilization.

The Maybrick Case. By DR. HELEN DENSMORE. Stillman & Co., New York. Swan, Sonnenschein & Co., London. 1893. pp. 148.

This is the best presentation of the now famous Maybrick case that has yet been published. In 148 pages Mrs. Densmore gives the history and character of the persecution as well as prosecution of Mrs. Maybrick in a way that is both interesting and inciting. The author comes to her subject exceptionally well equipped. She has devoted the greater part of her time for two years to what she cleverly shows to be a horrible example of the miscarriage of English justice. Her review of the case is conclusive. She shows from unquestioned sources that Mr. Maybrick did not die of arsenic poisoning; that there was not found in his stomach the tenth of a fatal dose, though he was known to be a confirmed arsenic eater; that the judge who presided was so flagrantly unfair as to create violent hostile demonstrations at the time, has since been removed from the bench for incompetency, and is now insane. The history of the case as given in this book is thrilling, penetrating, clear, concise, and fair even to being judicial. The conclusion of the author that Mrs. Maybrick was not guilty of the crime of murder for which she was tried, nor for that of adultery for which she seems to be now kept in prison, is thoroughly sustained by the evidence presented. In addition to the fund of historical narrative and keen criticism of English jurisprudence running through the book, the author gives three caustic and telling letters from Gail Hamilton on the subject. We recommend all who have any doubts upon the Maybrick case to read this book, with the assurance that they will rise from the reading in full sympathy with those who demand for Mrs. Maybrick a new trial or an immediate release.

SOCIAL ECONOMIST

APRIL, 1893

Philosophy of Immigration and Annexation.

For generations America has been the chief goal of European immigration, and the annexation of neighboring states on this continent has been the dream of many of our public men. Cholera in Europe, revolution in Hawaii, and political discontent in Canada have conspired to give these questions special significance at this time, as they are likely soon to become the subject of legislation that may seriously affect the future direction and character of our national development and civilization.

Hitherto our statesmanship has been largely empirical. Excepting the Monroe doctrine, it can hardly be said that our domestic or foreign policy has been perceptibly influenced by any recognized principle of economic and political philosophy or any method of national development. Public opinion has for years been steadily growing in favor of limiting the admission of the poorest type of foreign laborers into this country. Chinese laborers have been prohibited from coming here, and several plans were presented to the last Congress for restricting immigration from Europe; but no sooner was the question of annexation raised by the accident of a political revolution in Honolulu than the whole course of public reasoning upon the subject was reversed. Before the cause of the uprising was fully known in this country the administration had drawn up a treaty and made all arrangements for annexing Hawaii to the United States.

Since the annexation of the Sandwich Islands has been postponed by Mr. Cleveland's withdrawal of the treaty

from the Senate, it may be well to discuss the philosophy of the whole subject and its relation to our national development before committing ourselves to any line of annexation policy. It is very fashionable to regard the industrial and foreign policy of England as the acme of statesmanship and therefore a model for our imitation. True, England gave the world parliamentary government, the right of free thought, free speech, free press, and the factory system which has revolutionized the industrial methods of Christendom. But, while fully appreciating these important contributions to modern civilization, we must avoid the mistake of assuming that to duplicate England's policy in America would be to duplicate her success and her national influence. Although the principle of social progress is the same in all nations and all states of civilization, the mode of its application changes with every stage of industrial and political evolution.

In its development from barbarism, society has assumed three essentially different industrial and political forms, each of which has changed its economic and political structure, radically altering the industrial relations and the point of view of economic study and political policy. These stages of development may be briefly characterized as the periods of despotism, aristocracy, and democracy. The first obtained in Europe during the middle ages, the second in England under the factory system, and the third in America. Under feudalism, the land-owning class was the centre of all social and industrial movement; public policy was considered from the standpoint of landed interests alone, because, since all depended upon the land-owning class, whatever affected them affected all society.

The development of manufacture and trade and the rise of industrial free towns brought about a radical change in economic relations and political institutions. During this transition serfs became wage-receivers, and the cultivation of land passed to tenant farmers, the distribution of wealth being thus transferred from baronial authority to

economic law. Buying and selling superseded paternal distribution, and a new social class arose which established the factory system and its varied commercial interests.

With the advent of this new class the social basis of industry, especially manufacture, was broadened, and the centre of economic interest was shifted from the simple industries required to supply the needs of a small land-owning class to the more complex industries demanded by the consumption of a relatively large commercial class, whose interests were more varied and extensive. In proportion as these new conditions developed, the narrow paternal policy of the old regime became inimical to public welfare, and a reconstruction of industrial methods, economic doctrine, and national policy became necessary. After the efforts of centuries the new methods were supplied by the factory system and the new economic doctrine and public policy by the wealth of nations. These really mark the advent of an industrial aristocracy and a middle-class political economy and statesmanship whose influence has moulded England's policy during the present century.

This was entirely natural under the circumstances. For the same reason that under feudalism everything was viewed from the standpoint of land-owners, everything now was considered from the standpoint of manufacturers and merchants, whose incomes were derived from the profits of trade. Since the middle and upper classes were the chief consumers of manufactured products, English political economy and statesmanship looked to them as the main source of commercial demand. The laborers not having appeared above the social horizon, they cut no figure as consumers of the factory products, and consequently were considered only as factors of production. English political economy, being the product of these conditions, was of course dominated by this point of view; consequently all economic literature, from Adam Smith to John Stuart Mill, was essentially middle-class economics, having for its basis the interest of the middle or mercantile class.

Land-owners were regarded as its enemies, and laborers as its servants. It was here that the doctrine of cheap labor received its first scientific sanction. Treating labor chiefly as an instrument of production, it was assumed that, like all other instruments, labor should be obtained as cheaply as possible, because, as the economists declared, upon the cheapness of labor depended the profit of capital.*

The domination of this low-wage or middle-class political economy created a middle-class public policy, under whose influence the social condition of the masses was repressed rather than advanced. With the development of factory methods a more extensive market was necessary than the consumption of the middle and upper classes could furnish. The growth of consumption among the masses having been prevented, it was to the middle classes of foreign countries that England had to look for new markets; and to make this policy successful one other step was necessary, namely, free trade. The perfection of her factory methods, which had been rigorously protected for half a century, gave England a clear advantage over other countries, so that competition in her home market was impossible. Free trade with her simply meant free raw material and food-stuffs, which reduced the cost of living of the laborers and the price of raw material for manufactures, and enabled her the better to enter foreign markets. Of course the acquisition of foreign territory by treaty or conquest, and the establishment of a large standing army and immense navy to furnish police protection to the British monopoly of these foreign markets, was a necessary part of this general policy. Thus we see that the low-home-wage, foreign-market, and annexation policy, of which British rule in India and occupation of Egypt are a part, is

* It has been my endeavor to show throughout this work that the rate of profits can never be increased but by a fall in wages.—*Ricardo, Economy and Taxation*, pp. 74, 75. We thus arrive at the conclusion of Ricardo and others that the rate of profit depends upon wages, rising as wages fall and falling as wages rise.—*John Stuart Mill, Political Economy, Vol. I, p. 511.*

a natural outcome of the middle-class economics, middle-class statesmanship, and middle-class type of civilization that England has produced and represents.

America represents a different type of national development and industrial civilization. While England's industrial policy and political institutions rose from and are based upon the social life and character of the middle class, ours, from the beginning, have rested upon the life and character of the masses. England is essentially aristocratic, America democratic. America's chief source of strength has been the development of her own social character, political institutions, and national type; her present position at the head of civilization has been acquired, not by imitating England, but by inaugurating a new departure in national development. England's policy has been largely military, ours industrial. Her markets have been chiefly foreign, ours domestic. She has neglected home conditions to acquire foreign possessions, we have neglected foreign possessions for the development of home conditions. The consequence is that we have the more permanent industrial prosperity and political freedom, we are less affected by industrial depressions, less disturbed by foreign perturbations, and wars and rumors of wars have less disastrous effect upon us than upon England or upon any European country—and all because American industries rest chiefly upon American consumption and American civilization. This is not only a departure in the general tendency of national development, but it is manifestly in the direction of peaceful evolution toward a national type and a non-militant civilization such as the wasteful methods of military dependencies can never produce. England's industrial and foreign policy is therefore no more applicable to America than would be the policy of the middle ages to modern England.

A philosophic view of the subject demands that immigration and annexation be considered in the light of the industrial and social development of this republic, of

democratic America, as promoting the perfection of a truly democratic type of industrial civilization, in which the extremes of society are economically and politically welded together, and the material success of the capitalists is dependent upon the social prosperity of the masses of their own country.

From this view of the subject, then, our first national duty is self-preservation. We should protect our industrial advance, our social status, and the political achievements we have made; and we should do this before attempting any new acquisitions. Next, all additions to our population and our territory should be made with reference to their influence upon our existing institutions and our future progress. To accomplish this, we have only to apply the principle of protection to immigration and annexation as well as to industry. This principle, as we have before pointed out, is susceptible of scientific statement and application. This statement, applied to industry, is: In any country with a population sufficient to furnish a market so large as to be able to sustain the best methods of production in diversified industries, foreign competition should be based upon the home labor-cost of production in the respective industries. This would afford adequate protection to home civilization, which is always represented by home wages, against the deteriorating influence of inferior foreign countries, but would form no barrier to competition with superior countries. It says to the world that the social and industrial advantage of that market is free to all who shall rise to the level of that civilization, and yet protects itself against the influences of all inferior civilizations.

Applied to immigration, this principle requires only that the admission of foreign laborers to this country shall be governed by their industrial and social fitness for American citizenship. The test of political and industrial fitness is the social status and individuality of the people, which is always most accurately indicated by wage conditions. For the same reason, therefore, that we should refuse the ad-

mission of the products of cheap labor to our market, because they bring with them economic barbarism, should we refuse to admit cheap laborers, because they bring the elements of social barbarism.

Of course we cannot insist that immigrants shall have received in their own country the equivalent of American wages. Such a requirement would be prohibitory, since wages in the same industries are nowhere as high as here. Nor is this condition quite as necessary as in the case of foreign products, because, unlike products, laborers are susceptible to modification by improved social conditions, and in the environment of our social conditions they will rise to our wage-level. To protect ourselves against those who are incapable of this social assimilation, we should insist that all immigrants from whatever country should pay their own expenses thither, and also have on their arrival the equivalent of six months' American wages in their respective industries. Although this would not insure that every immigrant would be equal in character to the average American citizen, it would go far toward guaranteeing that he had the qualities for becoming such. It would probably take the average European several years of special effort to save enough in his own country to pay his passage here and have six months' American wages ahead. These years would serve as a test of his quality of character. Those who would endure the exceptional sacrifice and labor necessary to attain this end would, we may be sure, have the makings of good citizens under American opportunities. This would furnish an economic process of natural selection, by which our immigrant population would always be composed of the cream, instead of the whey, of the countries from which they come. It would automatically protect the republic against deterioration from the influence of old-world laborers by raising the plane of foreign immigration to the level of American assimilation.

Although annexation is of the same general character as immigration, it differs from it in that, instead of adding

to our population isolated families from different countries, it incorporates bodily whole countries into our national life. This latter process may have many disadvantages. When individual families come among us, they are dispersed more or less among our own population, and are open to the influence of our language, social customs, and institutions; but when a nation is added, with language, customs, and civilization of its own, there is great danger that it may become a mere excrescence upon our national life instead of an integral part of it.

For this reason it is important that a relatively higher standard of assimilability be demanded for annexation than for immigration. As we have said, our national progress must be in the direction of democratic integration, and not of mere political or territorial acquisition. It is toward a highly developed national republic that we must grow, not a group of incongruous peoples tied together by legal strings; in fact, this is precisely what we must avoid. Because local government and state rights, with the minimum federal power, is a fundamental principle of our republic, and because this principle secures the maximum autonomy to local and state governments, therefore it is of paramount importance that every such integrated group shall be on approximately the same industrial and political plane we have reached, otherwise it will tend to form a distinctly lower type of civilization and government in our midst. The very fact of the existence of this great power of local government, which in itself is the highest type of political freedom, gives to the state a right to resist all political, social, industrial, and even educational innovation, and thus to prevent the elevating influences of the advanced phases of our civilization from penetrating into its life; in other words, it gives it the power of fossilizing its own inferiority. This is the most dangerous thing that could happen, because every such chunk of inferior population tends, by the very power of self-perpetuation which our principle of government gives it, to lower the standard of our whole

civilization, or, what is the same thing, to act as a check on its progress.

We have already in the South as much of this as the republic can carry. There are fifteen Southern States whose civilization has been a menace to the republic since its origin. For the first eighty years of our national life the laboring population in these States were slaves. Of course, slave labor is incompatible with a progressive democratic civilization. It was inevitable that either slavery must succumb to the advance of modern society or our national progress must be arrested. This became apparent, and in order to prevent the inroads of civilization upon slave conditions, the slave States used their local autonomy, created a civil war, and came near rending the republic asunder, at a cost of millions of treasure and much of the flower of American manhood. Civilization triumphed, slavery was legally abolished, but the quality of the civilization was not greatly altered. For years after the war we had, under the name of reconstruction, the disgraceful spectacle of an abrogated democracy and state governments by federal appointment, and an era of unparalleled political outrage and public corruption.

Through sheer failure of carpet bagism in the South, state sovereignty was restored; and now, a generation after the war, we have within our republic conditions of industrial barbarism, social degradation, and political Cæsarism equaled only in the least advanced countries of Europe. These fifteen Southern States put into the hands of their industrial masters an inert mass of political clay, to be handed over *en masse* to the political party to which these masters happen to belong. The political or industrial problem involved in an election, or the personal character of candidates, makes absolutely no difference. Every one knows that the electoral votes of the Southern States would go solidly for protection or for free trade, for free silver or for gold currency, for fiat-money or for national banks, for government ownership of railroads or for in-

dividual enterprise—in short, for whatever might be proposed by that party. At the last election, without this block of barbarism, the Democratic party would have been in a hopeless minority in every branch of the government. Intead of 45 United States senators, it would have had only 15 against 39 Republicans. Instead of 213 members in the House of Representatives, it would have had only 93 against 131 Republicans; and instead of 277 electoral votes, Mr. Cleveland would have had only 124 against 145 for Mr. Harrison. And thus the policy of the republic is determined by this lump of mediævalism, which has little in common with the spirit and character of our civilization or our national development.

If the solid South were only two-fifths larger, its political power would overcome the entire remaining vote of the country, a result which no American citizen, with any patriotism or pride in our national achievements, can contemplate without alarm. That the solid South happens to be Democratic is but an accident of the situation. In the hands of Republicans, or of Populists, or of any other party, that mass of mediæval helplessness would insure equally calamitous results.

It is manifestly no less important, then, to apply the principle of protection to annexation than to immigration and importation. Nor is it more difficult, if we can keep in mind the prime object of the protection, which is to guard our own national life against injury from the interjection of lower civilizations. As in the other instances, it is simply a question of fitness. We should demand, in the first place, as an inexorable condition of annexation, that the incoming people shall have demonstrated in their own country their capacity for democratic self-government. We should demand in the second place that they shall have reached a sufficiently high stage of economic development to guarantee the introduction of progressive industrial methods, similar in character at least to our own. And here again, as in the case of importation and immi-

gration, the test is one of the wages and the social condition of the laborers. As a test of industrial fitness for annexation, then, we should insist that the condition of laborers in the communities to be annexed shall be approximately the same—or rapidly nearing the same—as that of laborers in similar occupations in our own country, exclusive of the Southern States.

This would give us a scientific and strictly economic basis for the indefinite development of the American republic until it shall include in its political integration all the peoples of the American continent, and take unto itself such European and other populations as, by natural selection and social affinity, shall be attracted to it. In other words, we but scientifically apply the law of natural evolution by placing at the gate of our civilization steps of economic and political development, to be ascended as the condition of entrance and participation. By this gate Hawaii, Mexico, Cuba, and Canada may all enter, but by none other.

In considering the annexation of Hawaii, then, we have only to ask if she will stand these tests. First, has Hawaii acquired the capacity of self-government? Clearly not, since the very proposition for annexation is the result of a political revolution, and comes from the revolutionists. Industrially Hawaii is in no better a condition if as good as the poorest of our Southern States. Its population is mainly composed of coolies and kanakas, and a few American capitalists have constituted themselves a class similar to the former slave-holders of the South. It is because of the barbarism of the natives and their utter incapacity to administer public affairs that the frequent revolutions are instituted by the whites; and it is to give over to these same whites, under the protection of the American government, the right to govern Hawaii, that annexation is asked for. Like our Southern slave-holders, they want to secure the benefits of American institutions and retain the industrial barbarism of Hawaii, which is incompatible with our form of government.

If we are to annex Hawaii at all, it must be either as a State with full state rights or as a foreign dependency. To admit her to statehood would simply be to add more South Carolinas to the republic; to make her a foreign dependency would be to depart from our national policy of developing an integral republic without foreign entanglements. The departure, moreover, would be in the direction of centralizing power in the federal government, and inaugurating, under the republic, a military regime essentially autocratic and wholly undemocratic in its tendencies. In every phase of civilization, Hawaii is manifestly below the required standard for annexation to our republic. The questions of constitutionality and annexation as argued by George Ticknor Curtis, of the amount of profit to American capitalists as argued by Commissioner Thurston, are too insignificant for consideration in comparison with the industrial and political consequences involved.

Neither industrial, political, nor ethnological reasons justify the annexation of Hawaii to the United States, and it is to be hoped that the present administration will refuse to consummate the hasty work of its predecessor in this direction.

Marine Solution of the Money Question.

That our monetary system is now on trial and threatened with a change that, mainly on account of its deficiency in ocean shipping, the country is evidently unwilling to make, seems not to have entered the public mind. This fact of itself is an ominous sign, showing as it does that our thoughts have become concentrated on our terrene interests, with the result of leaving maritime questions practically unconsidered.

Why is specie sent abroad? Manifestly to pay foreign debts, due or to become due. Our paper currency will pay debts at home; but gold-standard countries want gold, silver-standard nations take silver, and countries with a bimetallic currency will accept either. However, as London transacts the world's exchange, and as the British standard is gold, it results that silver is of little use in paying American debts abroad. Most of our silver export is considered only as merchandise as a precious metal.

What is wanted, therefore, it would seem, in a monetary system for the United States, is gold for foreign payments, with bimetallic coin and paper for domestic money, as at present. Whatever system we adopt should be chosen for its adaptability to our own needs, and the real question seems to be, Shall we allow our trade relations with foreign nations to compel a change in our monetary system, or shall we so alter our trade relations as to suit them to our system, and serve our national interest in the working of our silver mines? Remove the danger threatening our present monetary system by the export of its gold constituent, and less will be said about the disparity of silver. The world abroad cares for this now, because it expects to get all our gold in the liquidation of debts, and does not want our silver coins at a discount afterward. The attempt of the nations of Europe to meddle with the

constitution of our monetary system prompts the thought that, while preparing for war among themselves, they anticipate our ultimate bankruptcy. Evidently they are much more concerned about it than the American people. What exists to justify this apprehension? The majority of our citizens see nothing; yet it cannot be groundless. The fall in the price of silver cannot be the cause of so much speculation. This cause is the export of gold that is so easily made. What is the significance of this export? Plainly, an adverse balance of trade abroad. We are in foreign debt. We are likely largely to increase that debt, and the ruinous balance, at an early day. A reduction of the tariff will tend to these results, but other agencies are at work. Our exports of merchandise are not keeping pace with our imports, even with the support of reciprocity and the McKinley Bill. Our carriage in the foreign trade, the equivalent of shipments abroad, is constantly falling off. In the last four years, of the proportion of value carried by our own vessels we have lost,

In the import trade, 4.54 per cent,

In the export trade, 31.21 per cent,

and this under an administration that promised to "rehabilitate" our marine. Not to single out the late administration, we will state the loss for the four years previous; this was:

In the import trade, 17.41 per cent,

In the export trade, 18.12 per cent,

of the proportion of value carried in 1884. Of the value of imports, our vessels carried in 1892 17.66 per cent; of exports only 8.11 per cent; and taken together the share was but 12.3 per cent.

There can be no doubt that it is this unprosperous state of our foreign trade which is secretly and by degrees undermining European confidence in the continued solvency of our nation. Our commerce is enormous, but so little is carried in our own ships that it is completely under foreign control, not for carriage only, but for shipment.

We are almost helpless in our passivity. No other of the great nations of the globe has experienced so swift and so complete a decadence in commercial and nautical power. It is this state of things that fills with distrust the mercantile mind of Europe. And we are bound to admit that our neglect of the shipping interest, our most unwise policy of turning it out, unaided, to meet the competition of the world, and its consequent ruin, is well calculated to create the prevailing apprehension. The foreign statesmen who observe our shipping policy are not likely to tell us what they think of it. They are concerned in getting away from us all the ocean carriage that they can; they are surrounding their own marines with various forms and measures of protection, and take no active interest in the question of an American marine. They talk of the cheapness of silver, and meanwhile plan to capture our stock of gold—by the work of their ships.

As we have elsewhere shown,* ocean transportation or freightage to foreign countries, by vessels of our own, is export; by foreign ships, it is import; or is the equivalent of these transactions in the settlement of the balance of trade abroad. From foreign countries, freightage by foreign vessels is equivalent to import; by ships of our own, to export. We may say, transportation in the foreign trade increases exports and reduces imports. In other words, freightage or freight money is a product of vessels directly concerned in the making or paying of foreign debt. Here is a simple problem that will illustrate the value of shipping employed in foreign traffic:

There are two cargoes in New York and two other cargoes in Liverpool, each valued at \$100,000. Freightage will amount to the same sum both ways. An American ship takes one of the New York cargoes to Liverpool, and returns with one of the Liverpool cargoes to New York; a British ship takes the remaining Liverpool cargo to New York, and returns with the remaining New York cargo to

* "American Marine: The Shipping Question in History and Politics," 1892.

Liverpool. We build, equip, man, provision, insure, and run our own ship, and the British do likewise by their ship. We do the banking, commission, and insurance on our cargoes, and the British do likewise for their cargoes. There is a fair exchange of merchandise and a just reciprocation of services, and the balance of trade is even between the two countries.

But suppose that two British ships, one at Liverpool and the other at New York, carry each one of the British and one of the American cargoes. The freightage is equivalent to twenty per cent of cargo value in each case. The banking, insurance, and other items of expenditure are five per cent. Then the account will stand:

BRITISH ACCOUNT.

Two cargoes at \$100,000 each.....	\$200,000
Freight on four cargoes at 20 per cent of value.....	80,000
Insurance, banking, etc., four cargoes at 5 per cent....	20,000
Total.....	<u>\$300,000</u>

AMERICAN ACCOUNT.

Two cargoes at \$100,000 each.....	\$200,000
Adverse balance of trade.....	100,000
Total.....	<u>\$300,000</u>

From these examples it may be seen how an adverse balance of trade abroad is created, not by a lack of goods sold, but by the freighting of a foreign marine, and the use of capital in banking and insurance in connection therewith. Where the foreign merchant as well as the foreign ship is employed, there is, of course, another item, for his profit and our loss, to be included in the calculation. Thus a passive commerce, carried on by means of foreign money, men, and ships, is as surely ruinous in result as play with loaded dice. Yet such has been our late experience. Foreign rulers well understand that want of shipping power discounts productive power, and that all we seem to be gaining on the land must be lost on the sea, un-

less we sail it with our own ships in an active commerce for our own advantage.

A statistical view of the actual situation will show us plainly the disadvantage of our present dependence on foreign merchants and their ships. If a period of five years, 1887-1891, be taken, we shall find that the annual average of American carriage of imports in value was \$123,618,865; of exports, \$75,963,162; and of both, \$199,582,027. Estimating the import freightage at ten per cent and the export at fifteen, we have this statement of transportation, trade, and insurance.

AMERICAN TRADE AND TRANSPORTATION.

Carriage of \$75,963,162 exports at 15 per cent.	\$11,394,474
Carriage of \$123,618,865 imports at 10 per cent.	12,361,886
Whole value of carriage.	23,756,360
Profit on the commerce of equal amount.	23,756,360
Insurance on cargoes \$199,582,027 at 1 per cent. . . .	1,995,820
Amount of business*	\$49,508,540

Allowing alien merchants, shipowners, and underwriters to have done the remainder of business at equal rates, for the average year of the period 1887-1891, we have this statement:

ALIEN TRADE AND TRANSPORTATION.

Carriage of \$676,037,177 exports at 15 per cent.	\$101,405,576
Carriage of \$599,597,463 imports at 10 per cent.	59,959,746
Whole value of carriage (freightage).	161,365,322
Profit on the commerce of equal amount.	161,365,322
Insurance on cargoes, \$1,275,634,640, at 1 per cent..	12,756,346
Amount of business.	\$335,486,990

Here is a volume of alien business in our foreign commerce so much increased beyond the amount of sixty-five years ago as to be enormous in its ratio, which is 6551 per cent, against our absolute loss of 5 per cent. Is it matter for wonder that Europe can command our gold? Is it important to discuss the parity of silver? It is the parity of

* Strange as it may seem, the volume of trade and transportation thus shown was exceeded fully 5 per cent. in the average year of a five-year period sixty-five years ago.

shipping, of merchant fleets and merchant citizens, that is called for.

But we should add the passenger traffic to the alien account. Our ocean transportation for 1891, at 15 per cent of value carried, amounted to \$248,481,121. Of this sum the share of alien carriage was 87.54 per cent, or \$217,515,163; and the American share 12.46 per cent, or \$30,965,958. If we add the passenger traffic and postal service in foreign steamers, fairly estimated, the amount increases to the towering total of \$312,500,000, of which our share was nine per cent. Last year our patronage of foreign fleets must have amounted to \$300,000,000. The profits of alien merchants, bankers, and underwriters was probably \$200,000,000 more. To these items must be added our country's interest account annually payable abroad. This is set at from sixty to one hundred millions of dollars, and there is also a large tourist account, the two together making, say, \$125,000,000, and the whole annual debt or liability to Europe, \$625,000,000.

It is therefore apparent that the balance of trade abroad is always adverse. It is simply impossible, with the products of the farm, the forest, and the mine exported, to pay it in the most prosperous year. We have been saved from the exportation of our precious metals year after year by the investments of foreign capitalists in all parts of our country, in all kinds of business and of improvements. When for a time these investments cease, our gold will be called for. At any time it is liable to be demanded, and then, just in proportion to the volume of debt will be the portentousness of the threat to our prosperity.

Now, what is proposed by our financial authorities as a remedy for the trouble which on all sides is acknowledged to exist? Why, to issue bonds! To go further into debt! To tax the people for interest-money in order to buy gold from our debtors to pay them withal! Could the bankers offer more convincing proof of their absolute lack

of knowledge of our industrial situation? Let us suppose that this policy is adopted, and that a sale of \$50,000,000 of bonds annually is necessary to provide gold to sustain our monetary system and save our credit as a specie-paying nation. The interest is four per cent. The interest for the first year will be \$2,000,000; for the second year, \$4,000,000; for the third year, \$6,000,000; for the fourth year, \$8,000,000; for the fifth year, \$10,000,000. In ten years the interest will amount to \$20,000,000; in fifteen years, to \$30,000,000, by which time, it is to be hoped, our rulers will appreciate the situation.

How much cheaper it would be, and how much more natural, to "rehabilitate our merchant marine," and create our debt and liabilities for freightage, passenger traffic, mercantile profits, insurance returns, and bank dividends at home, where silver dollars, greenbacks, or treasury notes would be received in liquidation. Why not seek in the creation and maintenance of an American marine the remedy for the export of gold? All that is necessary is proper protection. Even should it cost something, we should have our marine in exchange for our money. If we pay out our coin as interest on gold, what shall we have to show for it? Nothing, simply nothing, in the shape of wealth. The nations that have the ships will have the gold besides.

If we create a marine, by the time it is adequate for the needs of our foreign trade we should be able to wipe out half the foreign liability that jeopardizes our prosperity and peace. Our adverse balance of trade being reduced by one, two, or three hundred millions of dollars annually, it is clear that the need for gold for exportation would wholly disappear. It is the need and the expectation for the use of money abroad that makes it necessary now to guard so carefully against a copious silver coinage and the paper issues which represent it. It is this urgent call for money of foreign circulation that restricts our supply of currency and maintains high interest-rates.

The way to maintain the parity of gold and silver is, not to issue national bonds and tax the people for interest on them, but to enlarge our products and exports through the earnings and savings of our mercantile fleets. The shipyard, the machine-shop, the wharf, the warehouse, and the counting-room, the work of our mechanics, our seamen, and our shipowners, the capital of our merchants, our bankers, and our underwriters,—these are the means and the instruments for the preservation of our monetary system, our commercial freedom, and our national independence.

The Chicago *Inter-Ocean* declares that “under the Republican policy the balance of foreign trade was in our favor, and would be to-day were it not for the apprehension of free trade.” A narrower party view could scarcely be expressed. Free trade will, of course, increase the adverse balance that has existed for fifty years, alike under Democratic and under Republican rule. Protection is a regulator of trade, and so effective a regulator that it should be applied to navigation as well as manufactures. If Congress will so legislate as to afford protection to the marine in foreign trade, thus making our citizens their own merchants and carriers, as high a degree of commercial safety might result as is secured by the present tariff law. Yet the *Inter-Ocean* asserts that “the only disadvantage to which we are placed is the large balance against us of bonded indebtedness and travel,” ignoring completely the detriment and loss occasioned by a vanished marine, a perished shipping interest, dead for want of the protection which the Republican party has given freely to other interests. Theory and practice such as this are unworthy of any party, or of any school of political economy. Any man of observation must see that we should recover into our own hands from \$150,000,000 to \$250,000,000 of ocean freightage, besides the gains from an increase of commerce, by retaking and holding our rightful place on the sea, and thus regaining and maintaining our proper rank among the nations of the earth.

WM. W. BATES.

Diminishing Returns from Investment.

The capitalist who would so invest his funds as to derive from them annual returns of income is substantially restricted in his choice of investments to those which are based on real estate or on what may be called the world's machinery of production and distribution, including under this head factories, warehouses, railroads, canals, vessels, and other like aids which mankind has learned to use in the great work of creating and distributing the various products of labor. These two classes of investments include substantially all that are income-producing, and it is a curious and important fact that the amount of income at any given time derivable from any of them is dependent upon the consumption of products at the time.

Thus the amount of rents which can be derived from real estate depends principally upon the amount of business which is carried on where the real estate is situated, and the amount of that business is in its turn dependent upon the consumption of products. If few products are consumed, there is little business to transact, and if there is little business, the rents derivable from real estate must be small. So also the profits derivable from investments in the machinery of production and distribution are dependent upon the proportion which the demand for the products created or distributed by that machinery bears to the amount of products which it is fitted to produce or distribute, and this demand for products is of course dependent on and proportioned to the amount of their consumption. As the profits of the owners of nail factories, for instance, are large when the consumption of and demand for nails are in excess of the nail-producing capacity of all the nail factories, and as their profits are small, or disappear altogether, when nail factories with a capacity of production in excess of the total demand for nails have been erected and are in

operation in competition with each other, so the profits of the great body of investors in all the machinery of production and distribution are greater or less according as the demand for the production and distribution of products falls below or rises above the full producing or distributing capacity of that machinery.

From these premises we may draw the conclusion that when there is a large call for new machinery, either to provide improved methods of manufacture or to supply an increased call for products, whether for personal consumption, for waste in war, or for any other purpose, or when, as when railroads and steamships superseded wagons and sailing vessels, a new mode of transportation is to be created,—at such times capital is in great demand and finds investments promising large annual returns of income; consequently, at such a period the rate of interest upon loans will be high. When, however, the productive capacity of the world's existing machinery is in excess of the demand for the products of that machinery, and when the owners of that machinery are endeavoring, by "trust" combinations and like devices, to reduce their production to an equality with the demand for their products, and when railroads and steamships have been built in excess of the needs of traffic,—then the income derivable from existing investments is small, the large amount of capital that is continually seeking opportunity for investment can with difficulty be so placed that it can, with a reasonable expectation of profitable returns, build new factories, railroads, steamships, or warehouses, and the owners of capital are therefore ready to loan it at low rates of interest to those who are willing to take the risk of the profit or loss to be derived from its investment.

With regard to the effects resulting from this reduction in the rate of income derivable from investments, several important conclusions may be drawn.

First, a reduction in the rate of income from invested property means in the final analysis that mankind pays to

the owners of its machinery of production and distribution less than it had before been paying for the use of that machinery; in other words, labor obtains a larger, and capital a smaller, share of the compensation paid for the production and distribution of products, and a greater proportion of the price of every article produced for the consumption of the rich or of the poor goes to pay for the labor, whether of hand or of brain, that has aided in its production and transportation, and a less proportion for the use of the machinery which has helped to produce it and to transport it to the consumer.

Second, a reduction in the rate of income from invested property means a smaller inducement to mankind to save and accumulate property as a means of provision for future support in sickness or in old age, or for raising and improving the condition of one's family or of one's posterity. For the encouragement of a provident spirit it is most important, not only that the means of providing for the future should exist, but that its existence should be so well established as to give men the certain knowledge that present saving and self-denial will bring yearly in the future, to themselves or to those whom they desire to benefit, an appreciable return. It is essential also for the maintenance of the world's great charitable and educational establishments, for the support of hospitals, colleges, and asylums, that liberal annual returns should be derivable from the invested funds by which such institutions are supported.

Third, we may expect that the income derivable from investments will continue to decline until war or other disaster comes to destroy large amounts of existing capital, or until large amounts of new capital are needed to furnish the means for supplanting the present machinery of production and distribution by newly invented machinery or for adding improved machinery.

As the field for so investing capital that it may bring annual returns of income to its owners is at any given time

distinctly limited in extent, and as its limits have in recent years been nearly reached, we may conclude that the public interests demand that a few individuals of great wealth should not be allowed to monopolize the greater part of this field, but that there should be left open to the multitude opportunities to invest their small earnings in railroad shares, in factory stocks, and in all other desirable investments. If, as has recently seemed to be the tendency of the times, a few men can monopolize the ownership of all the railroads in the country, one great section of the field for income-producing investments will become closed to the rest of mankind, who must then seek to place their investments in more obscure and less desirable portions of the investment field. A similar result would follow the action of government in assuming the sole ownership of railroads, or in taxing out of existence all private ownership of real estate; for such action would greatly restrict the field for individual investment, and would tend to force men who wish to provide for the future to abandon the attempt to do so by investment, and to resort to the expedient of hoarding gold or some other imperishable but unproductive article, as in former times when the ownership of real estate was monopolized by kings and nobles, and when there existed but little of the machinery of production and distribution. The ultimate result would naturally and inevitably be to create the tendency to live for the present only, without thought for the morrow.

The extent of the field for income-producing investments being dependent upon the amount of the current consumption of products, it follows that the general practice of economy in consumption does not necessarily tend to bring about the result sought to be attained by this practice, namely, the increase of income-producing investments. Indeed, if all men, in their desire to accumulate income-producing investments, should become miserly in their mode of life, should live on the simplest and cheapest food and wear the meanest clothing, should cease to build

houses or to buy furniture, should stop traveling and abstain from all amusement,—they would utterly defeat their actuating purpose, for they would substantially destroy all possibility of the existence of income-producing investments. If the consumption of all the products of machinery were in this way reduced to a minimum, there would be substantially no profit in the ownership of the machinery of production; and the more the consumption of products is reduced, the less use there must be for the machinery of distribution, and the less profit in its ownership. If consumption stops and all machinery lies idle, stagnation in every kind of business must ensue, and the rents of real estate must fall to the lowest level.

Although the actual existing world is by no means a world of misers seeking for income-producing investments, and, with that end in view, reducing the consumption of products to the lowest possible limits, yet we may see that the tendency to save is becoming strong enough to acquire an important influence on the working-out of the problem which we have under consideration. We have seen that, to increase the possibilities for income-producing investments, the general consumption of products must be increased: here we encounter the fact that the only people who have the power to increase that consumption are the well-to-do classes, among whom the desire to obtain these investments is so prevalent; while this power is principally in the hands of those individuals whose wealth is so great that they are unable to spend their entire incomes, and whose main object in life appears to be to pile up many millions or tens or hundreds of millions of invested property for the amazement of mankind. The consumption of products by the masses is limited by their ability to purchase those products, and that ability is dependent in the main upon the employment which they receive from their richer neighbors. The variable element in that consumption of products, upon which consumption alone all income-producing investments are based, depends there-

fore in the main upon the inclination of the well-to-do classes to save or to spend. So long, indeed, as they employ their savings in the creation of new machinery of production and distribution, in building new factories, warehouses, railroads, and steamships, the poor will obtain full employment and good wages, and the needed consumption of products will go bravely on; but when it begins to appear that this machinery has attained a capacity of production in excess of that demand for its products which is ready and willing to pay for them at least the cost of production, then the factories, warehouses, railroads, and steamships will fail to pay the usual dividends, and the owners, finding themselves without their accustomed income, will begin to retrench their expenses, to lessen their consumption of products, and to employ less assistance from labor; the creation of new buildings and new machinery will stop, and thus many workmen will be thrown out of employment; the working of the machinery which has proved superfluous will stop also, and thereby other workers will be forced to become idle. As the wages of working people are their chief dependence for the obtaining of products for consumption, the general consumption of products must by these causes be still further reduced, and the excess of machinery and the general paralysis of business must become more evident. Of all this the world has within the last twenty years seen proof, the most striking example having been that furnished by the great depression in trade beginning in 1873. Various explanatory theories have been advanced by economists, but most of these have been abandoned even by their most ardent supporters.

URIEL H. CROCKER.

Advantages of City Life.

What is the reason of the vast proportionate increase of population in cities? Why has civilization this trend? That men do congregate more and more in cities is an acknowledged fact, and a fact often deplored. Is it deplorable?

The advantages of the country are its natural conditions and comparative independence. The advantages of city life are its social conditions and facility of industrial relations. Other claims, no doubt, might be advanced on both sides, but these appear to be of chief importance. The environment of natural conditions is a questionable privilege. Civilization is the development of culture out of nature. Natural conditions are the foundation, but they do not furnish everything our complex nature demands. As natural, man is an animal; as social, he is human. Isolation is not barbarous alone, it is inhuman. It deprives man of the re-enforcement of companionship, which is necessary to the needful development of his strength and intelligence. There are times, of course, when isolation is as necessary to mental and physical poise as sleep, but these passive periods are only recuperative, without the tingling eagerness of activity that stimulates the capacity to achieve and to enjoy.

Even the farmer, however, can do little totally unaided, and at best his companionship, which is determined rather by necessity than choice, is restricted; therefore, the city draws with all the pulsing power of its million hearts and brains. Davie recommends a hall bedroom in New York in preference to a farm in Kansas. Many are of his opinion, and perhaps wisely, since a successful pioneer must be a man of exceptional energy and directive power, willing to forego, not congenial society only, but the common comforts of life. There is, indeed, a sense of strength

and freedom in the knowledge of complete independence, which to some is ample compensation for any sacrifice. But this same sense of independence is with those who can make themselves captains of industry; they hold their livelihood, not in their hands, but in their heads. Such men also are exceptions, and they must work hard and risk much to gain and to maintain their supremacy. It takes a Vanderbilt in shrewdness to "buy opportunities and sell achievements." Even those men who with the effort could overcome obstacles often prefer less exertion with less independence. This is made painfully apparent by the frequent choice, even of professional men, of the dull semi-security of routine work in government offices, where they are simply political hangers-on, rather than of a career with larger possibilities of endeavor and result.

The tendency of modern life, with its labor-saving machinery and its wholesale methods of manufacture and distribution, is certainly toward inertia of directive power in the individual; it develops one head for a thousand hands. This means less labor for the thousand, more required capacity in the one, and both results increase the tendency toward aggregate development at individual expense. But organization also is to be taken into the account. In all life, the organized is higher than the unorganized. Where there is no specialization of function, the type of life is low; where one organ does the work of all, the result is unsatisfactory. Industrial relations are more readily adjusted in the city than in the country, because much of the labor is done by machinery, and the work that must be done by hand is done over and over until it becomes mechanical. Moreover, in the city collective labor largely replaces individual exertion. Of this arrangement, roads, houses, the conveyance of water and light, are conspicuous examples. Co-operation, in the sense of work collectively performed to the end of improvement of social conditions, impossible in the country, is an essential factor of city life.

The gradual extension of boundaries and the virtual lessening of distances by means of rapid communication bring increasingly large areas within the influence of urban life; indeed, it has become conceivable that Europe and the United States shall become entirely urban or suburban, with portions set apart, as parks are now, for the raising of perishable food. Prince Krapotkine has shown how several different crops a year can be raised on the same land without regard to the quality of the soil, the ingredients of which, with no more productive a foundation than an asphalt pavement, can be varied at will.

The education for such co-operative life has already begun, for the civilization that depends upon mechanics means some measure of technical training for all. Each factory operative now must know how to feed and run his part of the machine. When the "magic button" becomes our universal servant, every household must have its engineer. Horses were once the only motive-power of our street-cars, accomplishing the task in all sorts of weather and under all conditions of travel, often by dint of cruel exertion that excited the sympathy of passengers. Now the cable and the trolley fail to work when they are needed most, in the midst of sleet and snow, and every one is helpless in the blocked streets, and sympathy is kept strictly for home consumption. When something better replaces both horses and cables, and we drive about in electrical carriages, all coachmen must be electricians and stable-boys skilled mechanics. For, while the development of directive power is checked by the system that gives to one head the guidance of many hands, it is also stimulated by the tendency of machinery to make man's labor that of the brain instead of the muscles.

This brings us to the diffusion of intelligence, which is one of the chief advantages of city life. Exchange of experience is supplement or substitute for education, and attrition of minds is inevitable in large assemblages of individuals. Then the newspaper, every twelve hours or

less, puts one in touch with humanity throughout the world, and the more highly developed social conditions bring into life great possibilities of pleasure. Moreover, consciously or unconsciously, excitement is an attraction. The inhabitant of the city is under the constant pressure of stimulation,—to vice, it may be, or to high endeavor. In any case, what is in him has the opportunity to come out; for city life offers opportunity to every individual.

Equality is not a matter of nature but of culture. Men are born free and equal only in the sense that no man has the right to enslave another. Political freedom exists when all men may share equally in determining their government. Where a man is governed without voice or vote, he is a slave; where his vote is not equal to that of any of his fellow-men, by so much is his freedom infringed. "The average sense of all is better for all than the best sense of any." Socially, however, men are born dependent and unequal, and only through the action of the mind in assimilating the experience of the race can they reach a plane of equality.

Moreover, each individual has, locked in his personality, a secret, a problem, meant to benefit himself and the race. It is the sphinx's conundrum, and each must solve it or perish. The city offers a million opportunities for its solution where the country offers one. A Thoreau or an Emerson may find sermons in the running brooks, but most of us need more explicit teaching, and this the city affords. All the faculties are stimulated to the highest exercise, and the achievement of an entire population reinforces individual effort. Failing, one may try again, starting on a lower level; it is only the totally incompetent who lie prone in a pitiful heap at the foot of the ladder of endeavor. Always the constructive element is stronger than the destructive, and for one that falls, a hundred rise. So the standard of living is lifted higher and higher, while the fallen receive the aid of the successful and their children an education that shall prevent their fall. This is

the aim of the public schools, and an aim that experience must ultimately attain. With civilization there is no longer independence, but interdependence. No man lives or dies to himself alone; physically, mentally, and morally he is lifted up or dragged down by his fellows, but this united effort gains for each a freedom that would otherwise be impossible of attainment. This is the significance of all organization; the unavailing effort of one is multiplied by the efforts of all, and the strength of many makes a mighty power which upholds the world. Nor does the individual lose; each individuality is a thousand-fold more forceful in that it has the support of the tremendous appliances worked out by the minds and arms of all. A bar, however strong, is of little use as a lever unless it has something to rest upon. With the universe at command, what cannot the individual achieve?

LEONORA B. HALSTED.

Sixty Years of the English Poor Law.

To understand the task which confronts the Royal Commission deputed to ascertain "whether any alterations in the system of Poor Law relief are desirable in the case of persons whose destitution is occasioned by incapacity for work, resulting from old age, or whether assistance could otherwise be afforded in those cases," and also to understand the other demands made by Poor Law reformers which are at present outside the reference of the Royal Commission, it is necessary to have some idea of the work of the Poor Law as it has been administered since 1834. England had had a Poor Law system for centuries before that time; but in 1834 the system was made uniform all over England and Wales, and placed on an entirely new basis, on the recommendations of the Royal Commission, which had inquired into what has been frequently designated as the "pig-stye" era of the English Poor Law system. A terrible crisis in Poor Law administration had been reached before the appointment of the Commission which reported in 1834, and it is doubtful if Parliament ever assigned a Board of Commissioners a more difficult task than that deputed to the organization known for thirteen years after 1834 as the Central Poor Law Board. This Board stood aloof from Parliament, and to it was entrusted the work of reorganizing, remodeling, and extending the Poor Law system, on lines laid down by the Act of 1834. The new Board laid the foundation of the present system, and, except in a few particulars, the Royal Commission appointed by Mr. Gladstone's government will find that the Poor Law is still administered according to the plan of the Commissioners who inaugurated the new system and were the central authority responsible for its administration between 1834 and 1847.

What the Central Poor Law Commissioners did between 1834 and 1847 was to divide England and Wales into eleven Poor Law districts, to subdivide these districts into union-counties, and again to subdivide these into unions, which are the local units for Poor Law administration. There are now 648 of these Poor Law unions, with an average population of 45,000 per union. Each union is independent of its neighbors, and answerable only to the Local Government Board for the way in which it administers the Poor Law within the territory over which it exercises jurisdiction, and within which it has the power of levying and collecting Poor's Rates. A number of parishes or townships are grouped together to form one union. They jointly bear the cost of building and maintaining the work-house and of relieving the resident and vagrant poor. The superintendence of the local administration of relief is in the hands of what is known as the Board of Guardians for the Relief of the Poor. This Board is generally elected annually. Annual elections were at first the invariable rule, but within the last few years some of the unions, with the sanction of the Local Government Board, the body which succeeded the Central Poor Law Commission, have adopted the plan of triennial elections, and are claiming to have effected some economy and secured a better administration of the law by the change.

Every householder, male and female, who pays his or her quota to the relief of the poor is entitled to vote at the election of Guardians. Plural voting is part of the system, and a rate-payer's votes are in proportion to the annual sum which is levied upon him for the maintenance of the poor. There was never any law prohibiting women from acting as members of these boards; but it was not until 1875 that a woman was elected as Poor Law Guardian. In that year Miss Martha Merington was elected on the Kensington Board, London, and since that time there has been a gradual increase in the number of women elected as Guardians, until in 1892 the number stood at 136. This is

not large in view of the fact that there are in all 648 unions, and considering the extent to which women have gone into politics and other departments of public life in England during the last fifteen years. One reason for the comparatively small number of woman Guardians is the fact that until November last the rating qualifications for Poor Law Guardians seriously told against women, as it also did in keeping working men out of this department of public usefulness. The fixing of the qualification of a Guardian is a matter in the hands of the Local Government Board, which hitherto has been supposed to consider the circumstances of each union and fix the qualification accordingly. All that the law stipulated was that the qualification should not exceed a ratable value of £40 per annum. Usually the Guardians in a union reported to the Local Government Board what would be a convenient and desirable qualification in their union, and the Board generally acted upon this local recommendation. Thus it came about that the qualification varied from a £10 ratable value in a Yorkshire union to the maximum figure of £40 in some of the unions in London, where there is a wealthy residential population, or where the trading and professional middle classes desired to maintain the administration of the Poor Law as exclusively as possible in their own hands, and to keep off the Board those who paid but small amounts to the Poor's Rate.

As the Poor's Rate is the basis of all assessment for local government and for some imperial purposes, it may be well at this point briefly to explain the working of the system. All local rates are based upon the annual letting value of the house in which the rate-payer lives, or of the lands and buildings of which he is the occupant. It does not matter for rating purposes whether the occupier is the owner or only a tenant. Except in the case of cottage property, in respect of which there is a system of compounding for rates, every occupant pays the rates due in respect of his house, and his goods can be levied upon in

case of default. Rate is the term used to signify a local tax; the word tax is employed only in connection with assessments for imperial purposes. A householder's contributions to the Poor's Rate, the Improvement, Police, and School Rates, as well as his assessment to the Inhabited House Duty—a tax for imperial purposes—are all based upon the assessment of the Poor Fund. These assessments are made by a committee, elected annually for this purpose, and the only appeal from it is to the law courts. It would take too long to go into the intricacies of the assessment system; but it may be stated that, as a rule, the assessment committee arrives at a fair estimate of the letting value of a house, and then fixes the assessment at about two-thirds of that value.

There has been a strong feeling of late in favor of women on Poor Law Boards. The work of administering some departments of the Poor Law is eminently suited to women; but few women having time to give to the work have had at the same time the necessary property or occupation qualification for a seat on a Poor Law Board. Within the last two years also there has been a demand for working class members on these bodies. Working men to the number of eighteen or twenty are now in the House of Commons; they are also members of City Councils, School Boards, and of Benches of Magistrates in incorporated boroughs. But so far they have had no place on Poor Law Boards. The rating and property qualification which prevented their election, and also in many cases the election of women, was protested against at the last general election by Poor Law reformers of the Radical school, who endeavored to commit candidates for the House of Commons seeking their suffrages to a change in the policy of the Local Government Board in this matter. No sooner was the unionist government out of office than the Radicals directed the new president's attention to this grievance, and on the 24th of November Mr. Fowler issued an order applicable to all Boards of Guardians in

England and Wales, fixing the qualification at a uniform ratable value of £5.

This order will have the effect of making it possible to nominate workingmen and women, hitherto excluded on account of the rating qualification, but it will not insure their election as Poor Law Guardians. It makes it impossible for the property-owning and large rate-paying class to exclude small rate-payers from the boards, as they could do under the arrangement which has held good almost from the time when the new Poor Law came into operation. But with the system of plural voting still in vogue, the property owners and large rate-payers can elect their representatives to the exclusion of the small rate-payers, unless the small rate-payers are well-organized, and carefully schooled into "plumping" for the candidates of their class.

The elections for members of Boards of Guardians are not by ballot, as are parliamentary, municipal, and school board elections, but by a clumsy system under which voting papers are delivered at the homes of the electors. There is no pay, no perquisite, no patronage, and no privilege of any kind attaching to the office of Poor Law Guardians, and hitherto there has been no great competition for places on the boards. Political feeling and political influences, however, have rarely had anything directly to do with the Poor Law within the union areas, and men are usually elected to the Boards of Guardians because they have time to give to the Board's business, because they are trusted by their neighbors, and frequently because they are large rate-payers and on this account will, it is assumed, work for an economic administration of the Poor Law. "Keep down the rates" is the maxim of these men, and it is the maxim of the large rate-payers who support them at the elections.

When the Board is assembled in its weekly or fortnightly session, all applicants, except tramps and vagrants, have to make an appearance before it with their claims for re-

lief. Usually before this interview the applicant has seen the relieving officer, who has investigated the case and is prepared to give all details as to antecedents and present circumstances to the Board or the Relief Committee when the case is called. If the applicant is an able-bodied man with a family, and in distress through want of work, he will be compelled to go into the workhouse and take his family with him. For none but medical relief, except in very special circumstances, is ever given outside the house to able-bodied paupers.

The payment of Poor's Rates is the only qualification for the parliamentary franchise, and when a man ceases to pay rates, or ceases to occupy rooms, or a house in respect of which they are paid, and receives from instead of contributing to the Poor's Rate fund, his name is struck off the roll of electors, and he is disfranchised for at least one year, often for a longer period, no matter how small the relief he may have had from the union. This is held to be a hardship by the leaders of the unemployed, and for this reason, and also because of their dislike of the Poor Law as now administered, the socialist labor leaders have all along advised the unemployed to insist on relief works being provided for them by the municipal authorities rather than by the Boards of Guardians, whose statutory duties are to administer relief, and to see that no one suffers from lack of shelter, of clothing, or of food.

Nearly all the Boards of Guardians, which administer both in-door and out-door relief, grant out-door relief exclusively to old people of good character who are past work, and are living with friends or relatives, or receiving some help from them and do not ask the union to support them entirely. Each year, however, sees a reduction in the proportion of out-door relief, and an increase in the proportion of in-door relief.

It is in London that the endeavor to limit all relief to that offered within the workhouse has been carried to the greatest length. Several of the London unions are held

up as models in this respect to the provincial unions, especially to those in rural England—unions in Norfolk, Dorset, North Wales, and Herefordshire, in which counties from 39.4 to 46.4 per thousand of the population are paupers, and in which persons receiving out-door relief number from 33.6 per thousand in Hereford to 39.2 in Norfolk. Pauperism is lowest in the manufacturing counties of the North and Midlands. In Lancashire, for instance, the total number of paupers per thousand is only 18.2, of which 6.5 are in the workhouses and 11.7 are in receipt of out-door relief.

The figures as to pauperism which have been quoted apply only to three classes—paupers in the workhouse, pauper children in the workhouse or in schools apart from the workhouse, and out-door paupers, mostly old people who are in receipt of doles from the Poor Law funds. Increasing attention of late years has been given to the second of these classes—to pauper children. Boarding-out in working-class families has been extensively tried. Poor Law authorities differ as to the success attending this mode of dealing with the children. There is, however, no difference of opinion as to the success attending the plan of completely separating the pauper children from the older paupers, and establishing them in schools altogether apart from the workhouses. The aim of Guardians who adopt this plan is to eradicate the pauper taint, and to give the children a really good start in life. The plan seems to be realizing expectations in a satisfactory degree. The children are given as good an elementary education as is given in the free elementary schools established under the School Boards; and in the case of boys, more care is taken as to their apprenticeship than is bestowed upon most boys of the laboring artisan and lower middle classes. Few of the boys from the Poor Law Schools are allowed to grow up without a trade or handicraft, and thus drift into the ranks of clerks of a poor grade or of unskilled day laborers. Many of the boys go into the Royal

Navy, others into the army, principally into the regimental bands, for every Poor Law School has its band; but each boy is allowed to exercise his individual choice in the matter of a trade, and no boy is coerced into joining the army or the navy. Domestic service claims most of the girls. Last year there were 24,897 boys and girls in the Poor Law Schools of England and Wales.

Two other classes come within the administration of the Poor Law, to which so far no reference has been made. These are lunatics and tramps. As regards lunatics who require special care, these are usually sent to the county or district asylums, where their maintenance is paid for by the unions from which they come. The treatment of lunatics under the Poor Law has been as good and as humane as the treatment of pauper children. In these two departments of their work, few of the Boards of Guardians have now any adverse critics.

Tramps have long been a source of trouble and perplexity to Poor Law Guardians. While the proportion of ordinary paupers to population has been falling for the last thirty or thirty-five years, the number of tramps and vagrants has been increasing. On the first of January in 1858, the total number of tramps housed and fed in the workhouses of England and Wales was 2,416. On the first of January, 1892, the number was 6,988, higher than it has been in any year since 1869, when on the first of July 7,946 tramps were relieved. From 1858 to 1871 the number of tramps increased at such an extraordinary rate that more stringent regulations were deemed necessary in dealing with them, and in November, 1871, new orders were issued by the Local Government Board. Under these rules, when a tramp was received at the casual ward he was searched and bathed, his clothes were taken from him, and if they appeared to need it, were dried and disinfected. He was lodged in a separate cell and detained until eleven o'clock the next day, or until he had broken a certain weight of stones for use on the highway, or picked

a certain quantity of oakum, a task demanded of him in return for the supper and breakfast of bread and gruel or bread and soup, and the shelter the union had provided for him. About ten years later, in 1882, another endeavor was made to decrease the number of tramps. This time the Local Government Board asked further powers from Parliament. What is known as the Casual Poor Act was passed, and under its provisions a tramp or casual cannot discharge himself from the workhouse casual ward until nine o'clock on the morning of the second day. If he appears for a second time in the same ward within the space of a month, he may be detained until the fourth day. For three or four years these new regulations had the effect of diminishing the number of tramps. On the first of July, 1881, the year before Parliament adopted the Casual Poor Act, the number of tramps relieved was 6,215. When the new law came into force the number at once fell to 4,552 in 1883. Next year it was 4,899, and the year following 4,866. Then in 1886 it began to mount upward again. On the first of January in that year it was 5,540, and it has continued to increase, until last year the total of 6,988 was reached.

Tramps, and women who are mothers without being wives, and come into the workhouse again and again to be confined, discharging themselves as soon as they are able to go about, are the despair of Poor Law administrators, and when once the Poor Law question is reopened they will ask for power to deal more stringently with each of these two classes. The English tramp differs in some respects from the American tramp. He goes about the country with his women-kind and his children, and once in the tramp class he seldom leaves it, and finally ends his life in the workhouse hospital or in the old men's ward of a union in which he has managed to secure a settlement.

It is the cutting down of out-door relief which has forced the question of Old Age Pensions upon the country, for, in the unions where there is no out-door relief, old peo-

ple of good character, whose lot in life has never enabled them to make provision for old age, are forced into the workhouse, and compelled to associate with people of a totally different and altogether more unworthy class—people whose whole career has been vicious and criminal. Of the number of persons who have passed the age of sixty in England, it is computed that 42 per cent end their days in the workhouse, or are in receipt of out-door relief in the closing days of their life. It is therefore altogether beyond argument that some provision has to be made by the state for the aged poor, and the question to be determined by the Royal Commission is whether it cannot be done in some better way than is possible within the lines of the existing Poor Law.

EDWARD PORRITT.

Among the Magazines.

—RUSSIA, with its vast extent of territory, its past of turbulence, its present of possibility, with its sharply contrasted natural and national characteristics, detaches itself, forceful and picturesque, from the dull background of a somewhat material and prosaic century, and compels our attention. Ordinarily we do not expect discussion of the economic conditions of a country to interest by any appeal to the imagination, by any touch of pathos or of prophecy; but just that kind and degree of interest is aroused by "Considerations sur l'Economie Rurale de la Russie" in the *Journal des Economistes* for February. The author's graphic pen brings before us the peasant life of the great country—a life, whether on the grassy steppes, the central plain, or the wonderful black-soil land, oppressed with hopeless and inexorable conditions; or, having with singular clearness and thoroughness put us in possession of the causes and the results of these conditions, sharply portrays in a closing paragraph what, by the inevitable advance of civilization, the slow but certain process of evolution, must be the future of Russia.

The immense plain between its northern forests and its southern steppes is the wheat country, of Russia not only, but of the world; for in a given period wheat formed fifty-four per cent of the entire exportation of the empire, while it was but sixteen per cent in the United States, the next largest wheat-growing country. This immense production brings no prosperity to the toiling peasantry, who live a life of unmitigated, uncompensated toil in spite of it—indeed, because of it. More than seven-eighths of the entire population live by the product of the soil, and this product is invariably wheat, except what is needed by each laborer for home consumption; there is no buying and selling, no exchange of product even, and there-

fore this unanimity of product in so vast a region creates a fatally low price. Says M. Inostranietz :

It is in the early times of Europe's economic history that we must look for conditions like those now existing in Russia ; and there would still be essential differences. In France we must go back to the sixteenth or even to the fifteenth century to find this absolute predominance of grain-culture over all other aspects of human industry, these primitive methods of production, wooden implements of agriculture, laborious modes of harvesting, and the practice of individual families living each on what it can produce. Conception of the modern forms of human activity, whose development elsewhere has changed the aspect of all things, has hardly penetrated here.

The wonderful black-soil country, bounded on the north by a sinuous line running from the Austro-Hungarian frontier on the west, from about the fifty-first degree of latitude eastward to about the fifty-seventh degree, owes its name to the vegetable mould which covers it thickly, in some places to the depth of several inches. But this great natural advantage, which, judiciously used, would so largely contribute to the national prosperity, has been ignorantly abused. The peasant farmers take crops from fields year after year, never allowing the wooden plough to go deeper than the mould, never returning any fertilizing element to the soil. When their fields are exhausted, they must take others. All their laborious toil, therefore, but devastates the country ; they cut down every forest and level every hill, leaving the land over which they pass a desolate, uninhabitable plain. The modes of life in the steppes and in the north are detailed, and the methods of tribute to the landed proprietors, in the days of serfdom and by the peasants who were by Alexander's decree "at once freed, protected, and enchained." For, by a communal arrangement, not only the land owned, but the man who owns it, is in subjection to the commune ; he cannot emigrate, he cannot travel, he cannot even hunt in his own fields, or transact business in his own house, without the consent of his neighbors, and this is obtained never without difficulty, always at great expense.

The French intellect for some reason has been able to arrive at an estimate of the contradictory subtleties of the Russian character which we feel to be more accurate than any estimate of the Russians themselves ; so that it is high

praise to say that this article combines a Frenchmen's keen and delicate perception with the intimate knowledge of an observing native. Its perusal brings the conviction that through evolution of diversified industries, of manufactures and of commerce, not through political revolution, must salvation come to Russia. One thinks of Hawthorne's musing over "the inestimable treasure of improvement won from an experience of pain." If this be true, if nations as individuals must suffer before they can enjoy, and if pain undergone is any measure of joy to come, surely, winds of rapture from the gladdest summits of the Delectable Mountains will sweep even the mist of remembered sadness from Russia's future.

—PAN is dead indeed; even the echoes of the sweet Arcadian pipes have died away; myth and fable and poem have had their bright day. Now fact and statistics and irrefragable proof are the material furnished to the workers—sterner stuff, but well suited for foundation: who may tell what may be the wondrous superstructure reared thereon? Surely, nothing can more conclusively show the century's tendency than the subject chosen for consideration by Havelock Ellis in the *Atlantic* for March, "The Ancestry of Genius." Many of us have been apt to consider genius as a direct gift of the gods, a divine madness, an attribute too rare and subtle and brilliant for analytical manipulation; with eyes blinded by its radiant glow or its corruscating splendors, we have been content to worship, as the Athenians of old, at the shrine of the Unknown. Now we learn that it is simply a matter of race-fusion, that as surely as the lightning's flash follows the compact of the storm-clouds, so surely the intermingling of unlike races brings the brightness of genius into the world. The result of the author's investigations may be summarized with almost the exactness of a scientific formula. From the fusion of the "widely divergent races now occupying Europe, the one tall, fair, and usually long-headed, the

other short, dark, and usually broad-headed," come our poets, the "fine flowering of genius"; while distinguished scientists and politicians are always of pure race. However, this unknown quantity is not wholly eliminated from life's equation. The author admits that,

owing to its complexity, the question as to what extent the facts of the parentage of genius can be reduced to law has not yet been seriously studied . . . that this cross-breeding is not the only factor in the causation of genius.

So, besides the divine spark, we may still number among the merely material factors in the production of genius the influences of education and cultivation, and of the many forces of a complex civilization.

Curiously supplementary to the line of thought here indicated, and suggestive of strange possibilities, is a just-published book, "National Life and Character," which, basing its reasoning on the effects of war upon population, the decline of the family, the physical deterioration consequent upon concentration in cities, offers the startlingly original proposition that the black and the yellow races will finally crowd out the higher races and become dominant, intermarriage following as an inevitable consequence. If, then, the flowering of genius has heretofore resulted from fusion of peoples differing in conformation of head and color of hair, what strange and radiant rose of flame will spring from the fusion of races where the element of difference is so radical as to permeate every fibre of being, so intense as to become instinctive repulsion or conscious antagonism? Shall the last, then, be verily first? Shall the dusky, despised peoples indeed become the ultimate and perfect human type, lifted into millennial splendors by the centuries of achievement of the proud white race, quickened by absorption of its concentrated life-essence into marvelous fruition?

—A PAST epoch, paralleling any future possibilities in its influence upon the race, is described in "The New Spirit," a critical study of the Renaissance by J. Addington Sy-

monds in the *Fortnightly Review* for March. He summarizes the causes and effects of the Renaissance from the standpoint of artist, scholar, jurist, scientist, continuing:

Yet, we shall find that neither one of these answers, nor yet all of them together, can adequately explain the multiplicity and apparent incongruity of those phenomena which made the interval between 1450 and 1550 the most marvelous period that the world has known. In the word Renaissance or palingenesis, in the idea of Europe rousing herself from the torpor which had weighed upon her for ten centuries, we detect a spiritual regeneration, a natural crisis, not to be explained by this or that phenomenon of its development, but to be accepted as a gigantic movement for which at length the time was come.

Upon his conception of the Renaissance as essentially intellectual the author bases his presentation of its prominent phases. First and fundamental he places the regaining of personality, instancing Frederick II,—“the incarnation of the first effective force of the Renaissance, personality in the sphere of thought, self-conscious of its aims, self-governed in its conduct,”—St. Francis and St. Dominic, and Dante. Some measure of intellectual freedom having been gained, the phase of intellectual curiosity naturally followed. A keen desire to know what life had been, unshadowed by thought of eternity or damnation, seized upon men’s minds. The Greek and Latin authors were translated, and a world fresh and bright as though newly created opened to their impetuous possession. A lucid presentation of the phases that inevitably succeed follows, guiding the reader to the time when, fortified by curiosity, rationalism, naturalism, the critical reason rejected everything which could not be proved by positive methods of analysis. In other words, modern science had been born.

This study crystallizes into sharpest outline all vague and confused notions of the Renaissance, and throws out in strong relief against its dark historic background this mighty epoch, with all its vivid personalities, from Frederick II, standing grim and determined at its portal, to Giordano Bruno, “its last and noblest representative . . . towering eminent among the powerful characters of that age so rich in individualities.” In his vivid portrayal of

the conditions which resulted in the Renaissance, Mr. Symonds has missed an important—perhaps the important because basic—cause, thus furnishing another illustration of the tendency of historic writing to fail in its interpretation of the economic laws of the time. If it could become a recognized tenet of social study that all institutions have their birth and their being in national tastes and character, then we should look to the industrial and social environment of a people for explanation of any marked change in its life; we should not be hopelessly perplexed by the “inscrutability of the laws which govern human developments,” but we should know that the potential source of the revival of learning and of art, as of the growth of political and personal freedom, must be those social conditions that make possible learning and artistic power and the development of personality. From this point of view the Renaissance is not an historic miracle, but the mighty result of the conditions of the century. The Italian republics had reached the height of wealth and prosperity just before this period. As poverty is always the source of ignorance and slavery, so wealth and opportunity are the source of intellectual development, spiritual refinement, and freedom personal and national. It was by the inevitable working of economic law that the growth of material wealth in Italy during the twelfth and particularly the thirteenth and fourteenth centuries was followed by the far-reaching movement we call the Renaissance. The marvelous blossom of a marvelous civilization opened indeed in an atmosphere purely intellectual and spiritual, but it was deeply rooted in a soil made fertile by material prosperity.

FREE LANCE.

Editorial Crucible.

Correspondence on all economic and political topics is invited, but all communications, whether conveying facts, expressing opinions or asking questions, either for private use or for publication, must bear the writer's full name and address. And when answers are desired other than through the magazine, or manuscripts returned, communications must be accompanied by requisite return postage.

The editors are responsible only for the opinions expressed in unsigned articles. While offering the freest opportunity for intelligent discussion and cordially inviting expression of well-digested opinions, however new and novel, they reserve the right to criticise freely all views presented in signed articles, whether invited or not.

OUR ADMONITORY REMARKS to the editor of the *Troy Press* for his ill-natured and ill-informed assertions about Herbert Spencer's intellectual honesty have evidently disturbed the equanimity of his mind. He has since adopted a style of controversy that sinks below the line of respectable recognition.

WE HAVE RECEIVED several letters asking questions regarding the practical working of the scheme suggested in our article on the "Solution of the Silver Problem" in the *SOCIAL ECONOMIST* for March. To answer these questions, many of which are very pertinent, and further to elucidate the practical working of the scheme, we shall devote an article to the subject in an early issue.

THE DIFFERENCE BETWEEN the economic character of trades unions and of Knights of Labor is clearly indicated in the respective attitudes of Chief Engineer Arthur and Grand Master Powderly toward the Ann Arbor situation. Mr. Arthur, like a rational reformer, desires to maintain all the industrial rights workingmen have acquired, and

therefore fights for their legal right to strike. Mr. Powderly, on the other hand, seems very much pleased with Judge Ricks' order because it threatens to destroy the laborers' freedom of action, and evidently hopes that persecution will force them into demanding the government ownership of railroads. Like revolutionists generally, Mr. Powderly is afraid of real remedial reform because it brings improvement gradually, and thus, by promoting evolution, prevents revolution. The man who prefers oppression to improvement as a means of aiding progress demonstrates his utter misconception of social advance and his unfitness for leadership.

THE COURT of APPEALS in Maryland has decided that the single-tax experiment in Hyattsville is unconstitutional. It is a mistake to assume, as some appear to do, that this settles the question of single tax. The single tax is an economic question whose wisdom or unwisdom does not rest upon its constitutionality; it must be determined upon its economic merits, not by legal decision. We rather regret that it could not have had a fair trial, because its literal application would show the economic fallacy of the whole conception. To declare it unconstitutional may help to perpetuate it by giving it the air of martyrdom. The fallacy in this doctrine lies, not in the fact that it calls for the concentration of taxation upon land, but upon the assumption that original land values can be separated from the values due to improvement. A serious attempt actually to separate the two would demonstrate the fact that land has no value apart from improvement; that the value of land, like that of everything else, is based on the cost of production, which in the case of labor is the laborer's cost of living, and in the case of land is the cost of making it available for productive purposes. If this delusive bubble were once pricked, the foundation of the single tax would soon evaporate.

AFTER TWENTY WEEKS' lockout, the dispute between the Lancashire cotton operatives has terminated in a compromise, the operatives accepting a reduction of about three per cent in wages. It may occur to some of our readers that the cotton industry is one of England's oldest and leading manufacturing industries, and has had all the free trade advantages of which we have heard so much during the last six months. As we are promised a taste of these in the near future, it may be interesting to note that in Fall River, the leading cotton manufacturing centre in this country, wages have been voluntarily increased ten per cent within a year, while in Lancashire the operatives have had to endure a lockout for twenty weeks to prevent a reduction of five per cent, and at the close of this protracted struggle have been compelled to accept a reduction of about three per cent. Congressman Breckinridge, Senator Mills, and other leaders of the present administration, promised in Mr. Cleveland's presence at the New York Chamber of Commerce dinner that the Democratic party would introduce a policy just the reverse of what we have had during the last thirty years. Now, Lancashire and Massachusetts represent the opposite extremes in this situation. Perhaps American operatives will appreciate this change if they have to accept Lancashire conditions.

THE PASSAGE of the Interstate Commerce Law, giving power to a political commission to regulate freight tariffs and otherwise to control the action of railroads, was hailed with great delight by workingmen and their friends as a step toward "checking the greed of capital." We opposed the measure at the time as in the direction of socialism, contending that it would some day react upon the freedom of laborers themselves as well as of capitalists. We hardly suspected, however, that so slight a step toward government ownership of railroads would show the evil effects of paternalism so early. Judge Ricks' action, however, throws more light on the subject that laborers will appreciate than

volumes of argument could have done. Chief Arthur and the Brotherhood of Engineers, and through them organized labor throughout the country, are now officially informed that to work for the government affords less freedom than to work for private capitalists. The fact that the Ann Arbor laborers were employed by a railroad corporation whose business is subject to government control is interpreted to mean that laborers employed on the railroad are also under government control. Hence, a strike against the corporation is a strike against the government, and the courts have the right to compel laborers to work for the corporation or to put them in jail. A little more government ownership, and the workingmen's freedom will all be gone. Of course, such a decision cannot be permanently enforced; to attempt it would be to jeopardize all our industrial and political institutions. But the Ann Arbor experiment may serve as an object-lesson on the subject of government ownership of railroads and other industries.

THE ANN ARBOR STRIKE furnishes another chapter in the history of the labor movement in America. It brings two things distinctly to the front. First, that American employers have not yet learned that labor organizations are a necessary and inseparable part of modern industrial conditions. Despite their boasting over the higher wages and superior conditions of American laborers, they array themselves against the labor movement with as much persistence as did the capitalists of the first quarter of the century in England, clearly demonstrating what laborers generally believe, namely, that any improvement they may obtain is to be secured in spite of the opposition of the employing class. Second, the summary order of Judge Ricks, commanding Chief Arthur to nullify the rules of the Brotherhood of Engineers regarding strikes, the arrest of the engineers who resigned their positions, and the defense of this opposition, in its economic and social as well as legal aspect, demonstrate that the animus of the courts

and of the press is distinctly against the rights of organized laborers.

If laborers are to be arrested for organizing and for refusing to work for objectionable employers, then a Siberia must be created, the army enlarged, and a reign of terror inaugurated. American laborers have acquired too much freedom to surrender their rights to anything short of extermination. The press and the political party which undertakes that task will properly be regarded as common enemies of public welfare, and more dangerous to the republic than all the strikes ever instituted. Strikes are usually in favor of some improvement in the laborer's conditions, while the legal suppression of labor unions is a blow at the liberties of the masses, which have cost centuries of struggle to establish, and are dearer to them than any form of government, than industrial institutions or property rights.

IT IS INTERESTING to observe how thoroughly the New York *Tribune* and the *Post* agree in their economic interpretation of Judge Ricks' attitude toward the Ann Arbor strikers. The *Post* informs us that the wisdom of the courts in this instance but voices what it has been advocating for ten years. The *Tribune*, with its usual ponderous seriousness, devotes editorial after editorial to defending the economics of this judicial effort to suppress labor unions, and reasons thus:

At a railroad station in Ohio three hundred men are employed in working up material which comes over a Michigan railroad. On their labor depends the livelihood of three hundred families. . . . A railroad worker in Michigan, if he conspires with others to prevent the shipment of the necessary materials to these three hundred workers in Ohio, inflicts upon them a wrong which he has no right to inflict for his personal gain. He is free to quit work, but he is not free to quit under such circumstances that hundreds of wives and children will be deprived of their subsistence.

Now, if this reasoning were accepted, a strike could never be permitted, since a laborer could only change his employment when he would be sure not to disturb the interests of any other person. If the Pennsylvania coal-

miners should decline to work for starvation wages, it might inconvenience the consumers of coal in New York City, and perchance stop the working of some factories, and so disemploy many laborers, in which case the courts could arrest the miners and make them continue work or go to jail. Delightful doctrine this for a journal so deeply interested in the welfare of workingmen as the *Tribune* has recently professed to be! Suppose this doctrine were applied to capitalists, and when a manufacturer closed his factory, throwing laborers out of work, he should be arrested and put in jail. What would the *Tribune* say then? When the Carnegie company locked out its laborers, it did not occur to the *Tribune* to urge this doctrine, nor do we remember to have heard a suggestion of it in the case of the Lancashire capitalists, who have kept over 100,000 operatives out of employment for more than twenty weeks.

IN DISCUSSING "The Social Quagmire and the Way Out" in the *Arena* for March, Mr. Alfred Russell Wallace shows how absurd a learned man may become by insisting upon discussing subjects with which he is unfamiliar. He asserts, with the recklessness of a social dreamer, that poverty and pauperism increase with advancing wealth, quoting among others Mr. George as authority. One might as well quote the Inquisition as authority on the rights of free speech. He cites with seeming plausibility, as facts demonstrating the truth of his pessimistic assertions, the growing work in local charities and the increasing number of paupers that die in the workhouse. It appears not to occur to Mr. Wallace to attribute the increase in private charities to the growing altruistic spirit in the community, to be considered as evidence of a higher rather than a lower state of civilization. It might be said with truth that there are more paupers in Massachusetts than in South Carolina. But does that mean that the people are poorer in Massachusetts than in South Carolina? Who would be mad enough to make such an assertion? It only shows

that Massachusetts looks after her poor better than does South Carolina. He also assumes, because a larger number of paupers died in poorhouses in London in 1891 than in 1872, that pauperized poverty is on the increase. He gives 6,743 as the number who died in 1872 in poorhouses, and 12,473 as the number who died in poorhouses in 1891, and exclaims:

Thus the deaths of paupers in workhouses had increased 85 per cent from 1872 to 1891, while the total deaths in London during the same period had increased from 70,893 to 90,216, or 27 per cent.

This makes out that the number of paupers dying in poorhouses has increased three times as fast as the total number of deaths. Now, this statement is neither true in fact nor in economic interpretation. As a matter of fact, the 6,743 who died in poorhouses in 1872 represented a fraction over nine per cent of the deaths of London; and the 12,443 a fraction over thirteen per cent of the total deaths. So that instead of the number dying in poorhouses having increased three times as fast as the total of deaths, the increase is but a fraction over four per cent. The trick Mr. Wallace has worked is to base the per cent on the original number of deaths in 1872, instead of comparing it with the total deaths about which he was talking. The interpretation of this fact is that the aged poor are better cared for, and when they get into the poorhouse are not turned out on a frivolous pretext as previously, but if unable to work are cared for until they die, showing greater care of the community for its aged poor instead of an increase of poverty.

These facts regarding London are cited as indicating the decaying condition of England, and the general assertion is made that the same or worse is true of this country. Now, the facts regarding pauperism in London, according to the Board of Health returns, are that in 1871 there were 153,000 paupers, or 47 to every 1,000 of the population; in 1880 there were but 99,000 paupers, or 27 to every 1,000 of the population,—a reduction of nearly 50 per cent.

Taking all England, in 1860 there were 850,000 paupers, or a fraction over 29 to the 1,000 of population; in 1885 there were only 780,000 paupers, or a fraction over 21 to the 1,000 of the population. Of criminals in 1860 there were 14,000, or 48 to the 100,000 of the population; in 1885 there were only 11,000, or 35 to the 100,000. In other words, pauperism diminished nearly 30 per cent and crime about 28 per cent from 1860 to 1885. We have not at hand the facts for 1890, but those given prove that the tendency is the opposite of what Mr. Wallace claims. A man who will coolly assert that during the last fifty years the masses in America have grown poorer, and that the "hours of labor should be shorter and the struggle for existence less severe, but they are the very opposite of these," shows an incapacity for observing and stating facts that may well throw doubt upon his utterances on any other subject.

Book Reviews.

A History of Socialism. BY THOMAS KIRKUP. Adam and Charles Black, London and Edinburgh. 1892. pp. 287.

Socialism from Genesis to Revelation. By REV. F. M. SPRAGUE. Lee & Shepard, Boston. 1893. pp. 474.

If the extent and importance of public movements can be judged by their literature, socialism is rapidly becoming the most formidable social movement of the day. Its literature is increasing apace. As an English editor recently remarked, socialistic writing is now good salable copy in the London market. Nearly all the social and industrial reform literature in England and America, as well as on the continent, is more or less flavored with socialistic thinking, and even much of that furnished by scholarly writers advocates outright socialism. The idea of basing socialism upon abstract conceptions of justice, equality, or on religious sentiment, has given place to the definite claim of evolutionary socialism,—socialism as the inevitable outcome of progressive civilization. The writings of the dreamy, Utopian class of socialists, such as More and Bellamy, are being replaced by the positive scientific socialism of Karl Marx. In dealing with socialism of the future, therefore, economists and statesmen must be prepared to deal with it as a question of social science, not of social sentiment.

Kirkup's History of Socialism is a well-written historic narrative of the rise and growth of socialism. The author discusses the early French socialism of St. Simon, Fourier, and the later socialism of Louis Blanc and Proudhon, and of English socialism the work and influence of Owen and the Christian socialism of Maurice and Kingsley; he also reviews at length and with the ardor of a disciple the work of Lassalle and Robertus, and of Karl Marx, whose conclusions he accepts as the scientific demonstration of social-

ism. Although interestingly written, the book shows a striking lack of economic discrimination. The postulates of the various socialist schools are given as an inevitable movement toward a climax of final truth, and the last prop upon which the vicious industrial systems of the past rested is declared to have been removed by Karl Marx's discovery of the true economic significance of surplus value. In his last chapter Mr. Kirkup summarizes in a spirit of prophecy, and declares that the competitive system, with precarious wage-labor as the lot of the vast majority of the people, is not suited to the social development of the future: that it is the necessary source of dishonesty, strife, poverty, suffering, and monopoly. He points to the development of the trust system in America as evidence of the coming socialization of capital, there being in his view but one step from trust organization to public ownership. If Karl Marx's doctrine of surplus value were as sound as Mr. Kirkup thinks it to be, and the wages system as vicious as he regards it, the future he predicts might be hailed as an industrial millennium; but, fortunately for society, the historic development of industry and civilization, though frequently forced into very circuitous routes, has still moved toward a higher plane of social and political life, bringing with it greater freedom, individuality, and material prosperity for all, and the possibility and realization of a constantly increasing amount of production and a more equitable distribution of wealth, so that the desired millennium is in reality straight ahead, and must be reached by more progress of the same kind, not by overthrow of all we have, as Mr. Kirkup and his socialist friends sorrowfully predict.

Socialism from Genesis to Revelation is an American product, the author being a Massachusetts minister. The book, which is an endeavor to make Christian ethics the basis of scientific socialism, has all the flavor of religious enthusiasm. The author quotes freely the postulates of Marx, the ethical perorations of Henry George and Ed-

ward Bellamy, the denunciation of capital by Washington Gladden and Joseph Cook, as equally authoritative expressions upon the subject; indeed, he appears to take everything that is said against the present industrial system as valid testimony, and reason for its overthrow. The errors of the English school from Smith to Mill, and those copied by Marx in his surplus value theory, as well as the fallacies of more loose and sentimental writers like George and Bellamy, all find acceptance with our author. He even quotes the colossal guessings of Thomas G. Shearman about concentrated capital without question or qualification, as if they were well-established data. The book is a monument of earnestness and fervid zeal for social improvement, and shows, with considerable acquaintance with socialistic literature, great lack of economic insight and misapprehension of the real trend of industrial development. It is admirably calculated to heat the blood, stir the passions, and spoil the judgment of the revolutionary proletariates, but contributes very little to the useful literature of the subject.

Taxation and Work. By EDWARD ATKINSON. G. P. Putnam's Sons, New York and London. 1892.

The Economy of High Wages. By J. SCHOENHOF. G. P. Putnam's Sons, New York and London. 1892.

The last presidential election was proverbially an educational campaign. The subject of education was the tariff; perhaps never before in the history of popular elections was there so strenuous an effort made to educate the public into the acceptance of free trade as justified by scientific economics. Much of the special literature then printed is now being reissued in book form as permanent economic literature.

Taxation and Work, by Edward Atkinson, is a collection of articles printed in the *New York Times* immediately before the recent presidential election, and it bears all the marks of campaign literature. In 1888 Mr. Atkinson

published a work on the "Distribution of Products." Out of 359 pages, 180 were devoted to "What Makes The Rate of Wages," and so far as we are aware, no one has yet been able to find out what Mr. Atkinson thought determined the rate of wages. In the book before us the case is a little different. It is not difficult to understand what Mr. Atkinson desires the reader to believe, but it is very difficult to understand how a tolerably well-informed reader can be expected to believe it. The special object of the book is to show that laborers are robbed by protective tariffs, and always have been. Its misrepresentation of the facts of English history and its unscientific methods of economic treatment have already been pointed out in these pages* in reviewing the articles at the time of their publication. The only point in the book that is entitled to consideration is the claim that "low prices and high wages are the necessary consequence or result of a low cost of production." This the author makes the basis of his plea for free trade, insisting that, as the cost of production is lowest where wages are highest, our cost of production must be lower than that of any other country, because our wages are the highest. From this he concludes that there is no need of protection, and that a tariff only adds to the profits of capitalists at the expense of laborers and the consuming public. There is just enough truth in the statement that high wages imply low cost of production to make it plausible, and just enough error in it to make it viciously misleading. It is true, as we have often pointed out, that high-priced labor tends to reduce the cost of production, but for no such reasons and in no such way as Mr. Atkinson imagines. Because low cost of production is frequently found to accompany high wages, he assumes that the high wages are a guarantee of the low cost of production, which is not true at all. This is one of the general fallacies of free-trade reasoners. They assume, as he does, that high-paid laborers, because they are generally more

* SOCIAL ECONOMIST for December, 1892, p. 380.

intelligent than low-paid laborers, are proportionately more productive, that is to say, their power to produce cloth, shoes, or watches increases directly as their wages and their intelligence rise. One might just as well assume that the power of a man's biceps increases directly with the development of his brain. As a matter of fact, everybody knows that the power of physical endurance and muscular labor tends to diminish rather than to increase with the advance of social refinement. The great economy of high-paid laborers is due in very slight degree to the mere personal skill of the workers. Otherwise, our laborers would not be more productive than foreigners, because, as is well known, the great mass of skilled mechanics in this country are foreigners, who were as skilled before they came as they are now, and who were, many of them, brought because of their superior skill. The cheapening influence of high wages comes in an altogether different way. It comes through the increased consumption that the higher wages and higher standard of living implies. This increased market or purchasing power furnishes an economic foundation for the investment of capital and the introduction of improved machinery, and it is in the use of these improved methods, which the dear labor and high consumption have made both necessary and possible, that the lessening of the cost of production comes. This is demonstrated by the fact that where high wages prevail and hand labor continues, the cost of production increases directly with the increase of wages, and the price of the product rises commensurately. Compare the movement of price in hand-labor product, such as carving, engraving, brick-laying, market-gardening, etc., with that of machinery products, such as cotton and woolen cloth, carpets, shoes, etc. The reason the cost of hand-labor products rises and machine products falls is simply that in the machine-made product the rise of wages is more than offset by the economy introduced by the machinery, and hence the cost is diminished and the price falls. In the hand-made products

the rise of wages is not offset by any economy in tools, and therefore adds to the cost of production and increases the price. Thus, while it is true that high wages tend to make low cost of production, the law operates indirectly through the social demands of the high-paid laborers and not directly through the skill of the laborers, as Mr. Atkinson erroneously imagines. For this reason, therefore, instead of his assertion (page 169):

That country in which the rate of wages is the highest has the greatest motive for establishing free trade with all others, whatever the tariff system of other countries may be,

the reverse is true, namely, that the country paying the highest rate of wages has most need of protection until it has developed improved machinery, which will reduce the cost of production more than it has been increased by the high wages. It will thus appear that what Mr. Atkinson lays most stress upon is only the misuse of a half-truth, which is as misleading as the worst old-school errors.

The Economy of High Wages, by J. Schoenhof, is a book in purpose and principle very similar to Mr. Atkinson's. Its purpose is to advocate the adoption of free trade, and the main premise upon which the whole reasoning is based is the erroneous principle just referred to in Mr. Atkinson's book, namely, that high wages, without regard to machinery, are sure to give lower cost of production than lower wages. The serious thing about Mr. Schoenhof's book is that he appears really to believe the error to be a veritable economic truth. He talks of the error of the old doctrine of wages as though he had discovered a new truth on the subject, whereas in reality he has apparently no more conception of a true economic law of wages than had Thomas Munn or Gregory King. He says:

Employers can therefore under no possibility lose where a permanently high rate of wages rule; they cannot possibly lose under a rising rate of wages, even as a rise in actual wages is only possible with a rise of the productive power of labor.

He thus manifestly assumes that wages are governed

by the laborers' product, and that as high-paid laborers are more skilful, they must produce more and therefore receive more; but like Mr. Atkinson he does not seem to know, or even to think it necessary to inquire, whether the high wages are the cause of the larger production, or the larger production the cause of the high wages; yet this is the vital point at issue. If wages are high because production is large, and production is large because laborers are skilful, then the cause of the superior skill must be explained in order to account for the high wages and cheap production. And on the other hand, if the superior skill and larger production is due to the higher wages, then the cause of the higher wages needs to be explained in order to account for the greater skill and lower cost of production. Because high wages, greater skill, and lower cost of production are generally found together, Mr. Schoenhof has evidently adopted the convenient method of selecting as the cause that one of the three which for the moment best serves his purpose. He is evidently unaware that his explanation at best only half explains; the more successfully it accounts for one point, the more completely it fails to explain the others. Had Mr. Schoenhof understood the true doctrine of wages, all this jaggy reasoning would have been obviated; he would understand that the price of labor, like the price of products, depends upon the cost of production, which is the laborer's cost of living; that a rising standard of living is always due to an increase in the established social wants of the class, involves greater demands and larger consumption of wealth, and concurrently implies an increase in the intelligence and character of the laboring class. He would know that these conditions give a wider market and greater inventive power, which supply both the economic demand for, and the capacity to furnish improved methods of, production; and improved methods of production increase the product, reduce the cost, and lower the price, thus making high wages and low prices entirely compatible, high wages being the real social cause


and low prices the ultimate economic effect. This explains the tendency of high wages finally to lessen the cost of production and reduce prices; but it would not serve Mr. Schoenhof in claiming that a rise in wages and a fall in the cost of production are necessarily equivalent expressions, because lower cost of production is a subsequent and sometimes remote effect of the social causes which have created the higher wages. To say that "employers can therefore, under no possibility lose where a permanently high rate of wages rule, that they cannot possibly lose under a rising rate of wages even," is to say what every employer knows to be contrary to experience. If no machinery is introduced, the very rise of wages may be and frequently is a direct reduction of the profits of the employer for a considerable time, or else a rise in the price of product. To show that no tariff is needed, since foreigners could not undersell American producers, Mr. Schoenhof, in his closing chapter, gives a long list of manufactured articles in which the cost of production is lower in America than in England. If the figures in this table are correct, it is manifest that free trade will make no difference, since American products are lower now; nor could the tariff make any difference, since none of the goods mentioned could come into competition here, with or without a tariff, because their cost of production is so much greater abroad than here. Yet, oddly enough, in the paragraph preceding this table, Mr. Schoenhof says:

I purposely say money wages because we have frequently told the workman that a reduction of his wages under a lower tariff would be equalized by a reduced cost of living.

But why will the wages be reduced? If Mr. Schoenhof's facts are correct, how could they be affected by free trade? If the cost of production is actually greater abroad than it is here, there is no danger of foreign competition, and therefore no danger of reduction in wages from lower prices from abroad, because the prices could not be lowered by competition with producers whose cost of production is higher. Again, where would the reduced cost of living

come from if not from lower cost of products, and how can it be possible that lower prices can be brought about by competition with foreigners whose cost of production is already greater than our own? The fact is that Mr. Schoenhof knows, and every one else knows, that the cost of production is not lower here than abroad; and every one acquainted with the facts in this case knows, and Mr. Schoenhof ought to know, that if the cost of production was actually lower in this country, in the general run of manufactured products, as he pretends, all the claim of the free traders would be so much bunkum. The truth is, it is because they know that the cost of production is higher here, in industries where the wages have risen more than the cost of production has been diminished by improved machinery, and that the foreign producers would undersell American producers. This is why they know the fall in prices would come. But it would come by the displacement of American producers, which, if they were equally frank, they would be equally free to admit.

Although the economics of this book are bad, the reasoning kinky, the pleading special, the fact that it claims that low cost of production accompanies higher wages is a wholesome and cheering circumstance, because it is a fact that hitherto capitalists have not recognized; they have constantly used their influence to keep wages low, in the mistaken belief that by so doing they were minimizing the cost of production, and free-trade doctrinaires have been the most persistent advocates of this view. We are glad therefore to know that they are coming to a recognition of the fact that high wages finally tend to produce low prices, although they do not yet understand the economics of the process.

 Notice of books received is unavoidably crowded out.

SOCIAL ECONOMIST

MAY, 1893

Economics of Strikes and Boycotts.

The grand test of a nation's fitness for free institutions is its capacity to deal with disturbances arising from advancing industrial and social conditions without impairing the liberties of its citizens. Forty years ago, voicing the distrust of monarchical Europe in the stability of republican institutions, Macaulay predicted that when the day of our Manchesters and Birminghams should arrive, our democratic institutions would prove inadequate to the task of securing order and maintaining freedom, and we should be compelled either to sacrifice our civilization to save our freedom or to surrender our freedom to preserve our civilization.

The day of our Manchesters and Birminghams, with their industrial conflicts, has arrived. Shall Macaulay's prophecy be fulfilled? Shall we be forced to choose between the surrender of freedom and the sacrifice of civilization, or shall we be equal to the emergency and capable of preserving both? If we are incapable of this, the Republic is a failure and the worst prediction may yet be fulfilled. The action of the courts and the press in the case of the recent Ann Arbor strike shows that we are in great danger of failing in the performance of this important task.

Trades unions are the only form of purely economic competitive organizations that have come into existence among workingmen. There are many forms of socialistic organization, as Nationalists, Knights of Labor, Marxian socialists, Fabian socialists, etc., but these are all political rather than economic. Some form of political control of

industry is the chief object of their organized action. With trades unions the case is quite different. They are and have ever been essentially non-political organizations, all their organized efforts being directly aimed at industrial conditions and nearly always by industrial or non-political methods.

Daring to associate for this purpose was once a penal offence. For five centuries English law was chiefly directed to the regulation of laborers' wages, food, clothing, occupation, and mobility, coupled with vigorous punishment for violation. As late as the reign of George III. it was made a felony for laborers to attempt to obtain advance of wages or to alter the hours of work, and "persons attending any meetings for the furtherance of such purposes, or persuading or intimidating persons into attending such meetings, or collecting subscriptions for such purposes, should also be liable to be sent to jail for three months." This last act, however, was too brutal for nineteenth century laborers to endure. Instead of suppressing labor organizations, it simply forced the laborers from open to secret societies, and recourse to violence made its repeal, together with that of all conspiracy laws, necessary for public safety.

Since 1825 labor unions have been open and active, and by persistent struggle in self-defence and propaganda they have come to be recognized industrially as well as legally. In this country, except in the case of the conspiracy laws, much of the same struggle has been repeated. Instead of seeking to understand the economics of labor organizations, American capitalists persist in opposing them with almost as much short-sighted perversity as did their English predecessors in the sixteenth century; and in this they are greatly aided by the press and sustained by the courts. Concerted action of capital against labor is connived at, while the extreme letter of the law is invoked and its interpretation stretched in the opposite direction against laborers.

Both these attitudes have been recently illustrated in the strikes at Homestead and Ann Arbor. In the Homestead affair last summer, the evidence before the congressional investigation showed that the disturbance was premeditated and practically forced by the Carnegie company, with the sole object of breaking up the laborers' organization. It was shown that for months before the strike the company had planned all its methods of warfare, including the hiring of the Pinkertons and even arrangements for taking snap photographs of the rioters. As the outcome of the violence thus incited, we have the spectacle of not only the rioters, but the executive committee of the labor organization of which the rioters happened to be members, on trial for their lives under charge of treason, with the officers of the company which instigated the whole matter as chief witnesses. Thus the machinery of the law is made to magnify the misdemeanor of the laborers and to overlook the really seditious conduct of the capitalists, and, under a pretence of protecting property, to aid the capitalists in depriving laborers of the right to industrial organization.

In the Ann Arbor strike we have an illustration of a slightly different use of the law to accomplish the same end. In this case, the question in dispute was purely economic. The Ann Arbor and North Michigan Railroad Company, a small and insignificant concern, was violating its contracts with its men regarding wages and overtime, and they decided to quit work. As is the rule in such cases among labor organizations, the men on the connecting roads refused to handle the cars of the Ann Arbor road while the strike lasted, and rather than do so resigned their positions. As usual, the capitalists at once appealed to the strong arm of the law to restrain the action of the laborers. To accomplish this they took advantage of a section in the Interstate Commerce Law intended to prevent railroads from discriminating against special roads or shippers in the transportation of merchandise, and they

had little difficulty in finding United States circuit judges willing to take their view of the law. Accordingly a mandate was issued by Judge Ricks ordering the men on the Lake Shore and other roads to handle the proscribed Ann Arbor freight without delay; and those who resigned their positions rather than do this were arrested for contempt of court. Chief Engineer Arthur was arrested for consenting to the action of the men. In the trial of the engineers who resigned their positions rather than handle the Ann Arbor freight all except one managed to prove that they had resigned before they received the order of the court forbidding them to do so. Engineer James Lennon was shown to have left his work after he had been forbidden by order of Judge Ricks, for which he was fined \$50 and costs of the prosecution. In passing sentence, Judge Ricks explained that the fine in this instance was nominal, as it was intended merely as a warning, and said:

It is but just to all concerned that the court should say that, the laws and orders having now been fully interpreted and made public, any violation thereof that may hereafter be made will be dealt with in a spirit and purpose quite different from that which has controlled us in this case.

Now, according to this decision, it is not only a crime to refuse to handle the products of a concern whose laborers are on strike, but it is a penal offence for one to resign his position when forbidden to do so by a United States judge. The justification of this remarkable decision is sought in a strained interpretation of the Interstate Commerce Law, making the laborers responsible with the corporation as common carriers. After quoting the section of the Interstate Commerce Law which makes it unlawful for any carrier to discriminate against "any particular person, company, firm, corporation, or locality, or any particular description of traffic," etc., etc., Judge Ricks says:

The law made it mandatory upon connecting railroads to receive and deliver passengers and freight and to afford equal facilities for the exchange of traffic. Corporations can act only through their officers, agents, and servants, so that the mandatory provisions of the law which apply to the corporation apply with equal force to its officers and servants.

According to this interpretation, every employee of a railroad, from president to yardman, is personally responsible for the corporation's fulfilment of its contracts. If this view shall obtain, and laborers are held responsible for the contracts of their employers, then they must be consulted in the making of contracts. Unless we are to return to a system of slavery, we cannot hold laborers responsible for contracts in the making of which they have had no voice. If laborers are to suffer the penalties for violation of corporation contracts, they have a right to share the profits of the fulfillment of contracts. The logic of this extraordinary interpretation of the law is to make laborers partners and equal sharers in the administration of railroads. Of course, this was not intended. It was aimed only to deprive laborers of the right to strike; but, as is apt to be the case with attempts to suppress freedom, they have overshot the mark.

The decision of Judge Tafts in the trial of Chief Arthur was scarcely less extraordinary, although it was shown in court that Mr. Arthur had no power to order a strike, but at most could only approve the action of the men. Judge Tafts decided that even to acquiesce in a decision of a local union to strike is a misdemeanor, and said:

It is immaterial whether the step to be taken by Arthur is merely ministerial, as he said, or whether it involves discretion on his part. The operation of the rule as against complainant is unlawful, will do it irreparable injury, and therefore, with the exception already noted, every step in its enforcement may be enjoined.

Thus, between the two judges, it was decided to be illegal for laborers to refuse to handle the products of striking concerns; or to resign their positions if forbidden to do so by the court; or even to take the advice of their leaders or friends regarding such action unless the advice is against it. This means neither more nor less than the entire suppression of labor unions as active economic organizations. Indeed, after Judge Ricks had issued his mandate, he said in an interview that his action would be a death-blow to trades unions. This conduct is so contrary

to the spirit of democracy and personal freedom that one can but contemplate the results with apprehension and alarm.

To imagine that such ruthless suppression of laborers' rights, which it has taken centuries to acquire, will be tolerated in this age and country, is to mistake the whole spirit and temper of the American people. If the decisions of Judges Ricks and Tafts are finally sustained by the higher courts, instead of suppressing the organized action of workmen as intended, they will but divert it in the direction of government ownership and control of industry. Nothing could more effectively stimulate political socialism than the prohibition of industrial organization. Like the aristocracy of Belgium, American capitalists will have to learn that freedom, once acquired, will never be surrendered. If its natural expression is prevented, it will find vent in an unnatural and more dangerous form.

The gravity of the situation is increased by the fact that this retrogressive attitude of capitalists and courts is largely endorsed by the press. The *Evening Post* announces with pride that the action of the court was what it had been advocating for ten years; and the *New York Tribune* declares that if these decisions of Judges Ricks and Tafts are not good law, they should be made so by legislation. This view of the subject shows how complete is the failure to recognize the real tendency of economic evolution and its relation to democratic institutions. Labor organizations are an historic and economic accompaniment of the organization of capital; they are as necessary to the wage system as factories are to capitalistic production. The notion that laborers should act singly in all their relations with employers is a relic of the hand-labor period. It is doubtless cherished by capitalists because it seems to give them a distinct advantage over laborers. As a matter of fact, however, individual contracts are absolutely impossible under modern factory conditions. By the very nature of organized industry laborers are and must of ne-

cessity be employed *en masse* ; that is to say, laborers in a given factory must work the same number of hours, have the same rate of payment for the same work, start and stop at the same time, and all their general conditions must be made substantially similar. It would be impossible for capitalists to employ them in any other way, as it would defeat the economy of factory methods. Since all together are subject to the same wage and other conditions, it is but natural that all should act together regarding those conditions. For capitalists to attempt to prevent the associated action of laborers is as absurd, and will prove as futile, as the efforts of workmen to prevent the adoption of improved machinery. Both are inseparable parts of a steam-using civilization, and can never be prevented except by return to hand-labor conditions. Organized capital is the means by which improved methods of production are developed and profits created, and labor organizations are the only economic power that laborers can employ to force capital to share this profit with the wage-workers.

It is needless to say that capital does not voluntarily share with the public its surplus gains. There are but three ways by which the community can obtain any share of this contribution to civilization,—public improvements, lower prices, and higher wages. The first can be secured only by taxation, the second by competition between capitalists, and the third by the effective demands of the laborers themselves. Organization or associated action is the only means through which this can be accomplished. If this right is taken away from laborers, their power to demand a share in the increasing product of society would be gone. The strike is an indispensable weapon of modern society. It is the only means by which workmen can make capitalists realize that it will be more profitable for them to let workmen participate in the increasing product than to attempt to exclude them from it. This does not mean that strikes should be frequent: it means that they should be at all times possible where unjust treatment prevails.

Boycotting is only a mild form of strike; it is a device by which strikes may be largely limited to the parties directly concerned; it is a substitute for making a strike general the specific cause of which is local; it is the refusal to handle the products of belligerent employers instead of inaugurating a strike throughout an entire system. If this form of conflict is prohibited by law, it would simply force the general strike method, which is very much worse for the community and all concerned, since it interferes vastly more with public convenience, disemploys more laborers, and injures more capitalists who are not implicated in the dispute than does the other method.

There is no more reason in equity and public policy for prohibiting laborers from quitting work in a body, or refusing to work for particularly objectionable people, than there is for preventing capitalists from closing down their factories when they regard it to their advantage so to do, or from refusing to trade with any obnoxious people in their line of business. On the contrary, it is one of the wholesome social means for bringing public sentiment to bear upon particularly perverse and morally obtuse employers, and is of precisely the same character as the efforts of the public-spirited ladies who refused to trade at stores where shop-girls are ill-treated. It is a form of social ostracism that mankind has always employed in dealing with specially obnoxious people whom existing law could not reach. Moreover, it is a very safe weapon, since the public can never be made to unite against an individual whose objectionable traits are not generally recognized.

Strikes and boycotts, then, are essentially economic social phenomena. Like all other social institutions, they have their disadvantages. War has its disadvantages, but in a certain state of society it is a real preserver of peace. Combinations of capital have their disadvantages when they are used for uneconomic purposes, as they frequently are. Churches have their disadvantages, when they become intolerant and persecute those who cannot accept

their creeds, as they frequently do. This is also true of strikes and boycotts. They are sometimes instituted for insufficient reason and conducted with bad judgment, to the detriment alike of employers, the community, and laborers themselves. But, as we pointed out when discussing the errors of trusts, the remedy is to be sought, not in suppressing the institution, but in a progressive elimination of its abuses.

Like trusts and other large capitalist organizations, it may be said with absolute certainty that trades unions are here to stay. There is no power in society that can suppress them without permanently disintegrating society itself. It is proverbial that the more perfect labor organizations become, the more intelligent, conservative, and responsible is their action, and the less frequent the resort to strikes. The history of the Brotherhood of Locomotive Engineers, involved in the Ann Arbor strike, is a demonstration of this. The remedy for strikes and boycotts is not, as we have said, in suppressing labor organizations, but in recognizing their social and economic legitimacy by putting them on the same legal basis with organized capital. In order to do this it is only necessary (1) to give trades unions a legal status by incorporation; (2) to make it a misdemeanor for any capitalists or corporations to institute a lock-out or discharge laborers solely for the purpose of breaking up labor organizations; (3) to hold labor organizations responsible for the fulfilment of contracts made with employers by their members; (4) to hold capitalists and corporations entirely responsible for their contracts independently of their laborers; (5) when a strike occurs, to allow laborers the same right to interview new employees taking their places, and to use moral or financial inducements to prevent them from so doing, as the capitalists or corporations have to induce them to accept the vacated positions.

If these propositions were made law, they would restrict no one's freedom, but would simply put organized

labor on precisely the same footing as organized capital. They would then both occupy equal competitive positions. Laborers would have all the rights that capitalists possess, and *vice versa*. Corporations would have no more advantage over their laborers in an industrial dispute than they now have over competing roads in a freight war. It would be a test of the relative economic strength of the two parties. What either party would consent to sacrifice in the struggle would gauge its confidence in the justice of its cause. Such remedies, besides being economic, would be distinctly democratic, putting both parties on the same plane, instead of, as now, legalizing away the rights of one to the monopolistic advantage of the other.

The Eight Hour Movement in England.

The first systematic agitation for an eight-hour day in England was started so long ago as 1833; it was started, moreover, by a group of large employers of labor; and strangest perhaps of all, it was started for eight hours' work and twelve hours' pay. The idea originated with John Fielden, M. P.,—"Honest John Fielden" as he used to be familiarly termed,—a Lancashire cotton lord who was a great parliamentary champion of the Ten Hours Bill, and who had the honor, through Lord Ashley's temporary exclusion from Parliament, of actually introducing the measure when it was carried in 1847. Fielden had himself in his youth worked his thirteen or fourteen hours a day as a factory hand in his father's mill, and had been a strong advocate of shorter hours for women and children ever after. His views took a considerably wider flight in 1833, when the new act imposing the eight hours limit on children's labor was about to come into force, and nothing would satisfy him but an eight-hour day for old and young alike.

While he was full of the subject, in November of that year, Robert Owen happened to come his way in the course of one of his agitating tours in the north, and Fielden, who believed in Owen, though not in his socialist schemes, laid his ideas before the great social reformer. "Why," he asked, "should the manufacturing industries be the only industries in which those monstrous hours are wrought?" There were many other branches of industry in which, taking one season with another, the hours would not average more than forty-eight hours a week, and yet the employers in these trades were making quite as good profits and the workpeople quite as good wages as in the trades where the hours were longest. The reason of this was evidently, however, that these more fortunate trades were able to

make other people pay for their fewer hours by imposing a higher price on the articles they respectively produced. Why should not the manufacturing industries resort to this same simple plan? Let them shorten their hours, raise their prices, and stick together, and the thing was done. Neither masters nor men, he was satisfied, could suffer by the change, if the change were general; for the lessened quantity produced would command as much money for the masters as the larger quantity did before; they would be surrounded by more contented and happy workpeople; and the piper would be paid wholly by the class who lived on their money and produced nothing themselves. So ran his dream; and a very good time, he thought, to begin its realization would be the first of March, 1834, when the eight-hour limit would come into operation in the mills with respect to young people, and the millowners would be revising their arrangements of work at any rate. Let eight hours a day become, then, the rule for all workers, in all mills, and in the meantime let measures be taken for securing the consent and general co-operation of the parties interested. It was useless, he said, to wait for acts of Parliament; Parliament was very slow to move; and there would be, he hoped, no difficulty in persuading both millowners and millworkers, even in the few months before March, to take a step which, if they took it together, would seem to be so much for their mutual advantage.

Owen was charmed with the plan, and said it was the best he had heard suggested, that it was perfectly practicable, and that he would lose no time in organizing a movement to carry it out. The two friends set to work forthwith. Fielden consulted first his own partners, and they at once agreed to set the example by adopting the eight-hour system when the first of March came round. He then drove into Manchester, and persuaded a number of other manufacturers to make the same promise. He enlisted Condry, the editor of the *Manchester Advertiser*, and his own colleague in the representation of Oldham, the

celebrated William Ebbett, as advocates of the cause in the press; and before November was out a great meeting was held in Manchester, at which a society was founded under the name of the National Regeneration Society, for the purpose, to use the words of the long programme prepared by Fielden and adopted by the meeting, "of assisting the working classes to obtain for eight hours' work the present full day's wages." Owen on his part held meetings in favor of the scheme in most of the northern manufacturing towns, and established many local branches of the Regeneration Society, the members of which were themselves very busy trying to persuade employers to adopt the eight-hour rule and workpeople to ask for it.

For a time the new movement seemed to be making rapid progress, and in December an announcement was made in the *Manchester Advertiser* that the rule of eight hours work with present wages was even actually introduced into one mill—the mill of Eben Wood, the most extensive manufacturer in Bradford at the time, and the most earnest, perhaps, of all friends of the short-hour cause. Wood, it may be said in passing, was struck one night in 1830 with a deep remorse for the wrongs of factory life, by a pamphlet, in every word of which, he said, he read his own condemnation. He then and there sent for Richard Oastler, who happened to be staying with him, and refused to let him go till he gave a pledge to be the advocate of the factory operatives, as he had already been the advocate of the West Indian slaves, and he was himself always the chief pecuniary supporter of the short-hour movement. Such a man was very likely to make this experiment; but how the experiment fared we cannot now say, for when March arrived the whole movement was already withered and gone, nipped, as we are told by Oastler, by the chill reception it met with from the working classes and by their divided opinion on its merits. As we have seen, the scheme was not believed by its promoters to be practicable unless its adoption was general, and the probability seems

to be that when they saw it was not likely to be generally adopted, they simply abandoned it till a more favorable season.

That more favorable season never came, and the idea of an eight-hour day lay dormant in England from that time until the present movement began, about 1887. This movement was immediately preceded, and probably incited, by the active revival of the eight-hour agitation in America in 1886, and in the Australian colonies in 1884 and 1885, and it is now, like most of the deeper modern movements, common to all nations. It is a movement of the working class this time. Their heart is in it more than it can be remembered to have been in anything else before. They may be divided a little at present about taking the political high road or the pathways of trade organization, but there is no division about where they are going or about their purpose of getting there, and their efforts are not likely now to cease until the present generation sees the eight-hour day dawn on every workshop in the country. For much has happened since 1833. English workingmen were then without education, excluded from political power, prohibited from combining. They have grown, in the interval, both into a new appreciation of leisure and into a new sense of their ability to obtain it. And the world frankly admits this claim, for the world, too, has moved. Mankind no longer begins with the baron, and both statesmen and employers have ceased to believe in Richelieu's famous maxim that the working classes are to be treated like mules, which are less spoiled by work than by repose. The world has seen the hours of work often shortened and the hours of repose as often lengthened, during the last sixty years, and the workmen, instead of being spoiled, have been invariably improved by the change. Even their working capacity has been improved, so that in the shorter hours they have done as much work for their employers as they used to do in the longer, and have earned as much wages for themselves.

The eight-hour movement is the natural fruit of all this long natural growth, and the general attitude of public opinion toward it may be said to be that the claim to leisure is good if there are resources to pay for it. The question, it is often contended, has not yet been sufficiently considered in all its possible bearings, especially in its bearings on foreign trade; but two things are generally admitted,—the desirability of granting the claim in itself, and the possibility of granting such claim without injuring the country's resources.

No Cobden is found declaring that an Eight Hour Act would stop every factory engine in the country, because the Ten Hour Act came, and neither stopped the factory engines nor lessened the operatives' product. Although the Ten Hours Act took eleven hours a week off the work of half a million laborers, yet so little difference did it make in the product of their work that, as official figures show, it did not occasion the employment of five hundred more hands, and most probably not even of fifty. Mr. Leonard Horner, factory inspector, states in his report for 1851 that

in all those departments of the factory in which wages are paid by piece-work (and these constitute probably not less than four-fifths of the whole, the proportion to fixed weekly wages being daily on the increase) it has been found that the quantity produced in 10½ hours falls little short of that formerly obtained from 12 hours; in some instances it is said to be equal. This is accounted for partly by increased stimulus given to ingenuity to make the machinery more perfect and capable of increased speed, but it arises far more from the workpeople, by improved health, by absence of that weariness and exhaustion which the long hours occasioned, and, by their increased cheerfulness and activity, being enabled to work more steadily and diligently, and to economize time, intervals of rest while at their work being now less necessary.

He mentions in his successive reports about this period many cases of individual workmen doing more work in the short day than they did in the long one; of mills which obtained the same result as before with a slight assistance from speeded machinery; and of other mills which obtained that result with the same machinery and without

any speeding at all. This experience was repeated in 1875, when the hours of English factory laborers underwent a second reduction. They were then reduced from 60 to 56½ a week, and Mr. Birtwirth, secretary of the N. E. Lancashire Weavers' Association, stated lately to the Labor Commission that, by extra effort on the part of the hands and by extra hustling on the part of the workmen, they were producing some four per cent more than they produced under the sixty-hour system.

Most trades have now like tales to tell, and the truth is that fewer hours always mean better labor, and that a certain limit, not yet finally determined, means even an actual increase of wealth and of productive capacity to the nation. This truth was absolutely unsuspected in 1833. It was first vividly presented in Macaulay's famous speech on the Ten Hours Bill in 1846, which did so much to turn public opinion in favor of the bill. Macaulay then showed by copious illustrations that the thing which more than all else makes one nation rich and another poor is the physical, moral, and intellectual character of its people, and declared he would never believe "that a change which would clearly be found to improve the moral, physical, and intellectual character of a people could possibly make them poorer." But Macaulay himself had not yet learned this lesson in 1833, for in that very year he stood for Leeds against Sadler, the factory reformer, and denounced the Ten Hours Bill as a quack medicine. To tell a man, he said, that he should have ten hours' work and eleven hours' wages was the same thing as telling him that by swallowing a certain pill he would get rid of all diseases, even if they were of thirty years' continuance. But we have now seen greater things than these; we have seen men earn twelve hours' wages by eight hours' work, because, under the influence of their longer period of repose, they have done the work of twelve hours in the eight. The coal miners of South Yorkshire had their hours reduced from twelve to eight in 1858, and put out as much coal in the

day as before. The gas stokers of Sheffield had their hours reduced from twelve to eight in 1888, without creating any material diminution in the amount of their daily work.

All this experience of the effect of reductions in the hours of labor has diminished the fear of further reductions and induced quite a number of employers to make actual experiments in the eight-hour system, which are among the best and most impressive results of the present agitation. But in the agitation itself this hope, curiously enough, plays as yet only an inferior part. The movement seems to be most zealously pushed forward under the contrary expectation that it must cause a general diminution of the individual laborer's production, and thereby make work for those who are now unemployed; in fact, under the same ideas which animated the previous movement of 1833. It got its first great practical impetus from the rise of the new unionism, as it is called, in 1888, the establishment of unions in the unskilled trades, which are many of them peculiarly harassed by irregularity of employment and run no risk from foreign competition. It was this new blood that changed the Trades Union Congress's cold treatment of the subject in 1887 or 1888 to the decisive vote at Liverpool in 1890 in favor of a general eight-hour law, as the great means to a better distribution of work; and among working class advocates of the eight-hour day, whatever trades they belong to, the most popular and trusted argument always seems to be the alleged effect of an annual restriction of production in raising wages and thinning the ranks of the unemployed. The cotton operatives were till last year opposed to the eight-hour movement, because they thought their trade was not in a sufficiently flourishing condition to risk making experiments that might increase the cost of production; but last year they came round to the eight-hour day because they persuaded themselves that in the present state of their trade a restriction of production was the only way of keeping their wages up. The idea

in the minds of most workingmen seems to be that, whatever happens, they at least must gain by the eight-hour day: for if they do as much work as they did in ten hours before, and many of them say they can, they will at least have won an hour's leisure and be no worse otherwise; while if they do less, they will have gained their hour's leisure and a rise of wages too.

The Trades Union Congress has now for three successive years affirmed the principle of an eight-hour law, but it would reduce the extent of the interference by making the practical enforcement of the law in any particular trade depend on the consent of that trade itself, expressed by the majority of its members. The reason of this rider is the recognition that an eight-hour rule cannot be made applicable to all the twelve thousand different occupations practised in England. Some of the speakers in this Congress seem to think it was not even applicable to farms and ships, although eight hours a day was the ordinary rule for English farm laborers in the last century, and an eight-hour watch is the custom on Australian ships at the present day. The proposal is approved by many politicians, including Mr. John Every, in the preliminary plea of its interference with the liberty of adult male labor; but this plea is no longer an effectual bar with English public opinion, and the position is more and more discussed by both sides on its merits, especially the probable effect of the measure on trade and its probable effect on the working class. Mr. Chamberlain said last year, in his speech on the Miners' Eight Hour Bill, that the principle for deciding such questions was the principle of Professor Jacobs, "that the State is justified in passing any law or in doing any single act which by its ulterior consequences adds to the sum total of happiness." This Miners' Eight-Hour Bill shows the progress of English opinion better than anything else. It was very nearly passed last year (being lost only by a majority of twelve), because many politicians, who have not made up their mind about an eight-hour day gen-

erally, have got the length of thinking it ought to be enforced in dangerous and exhausting occupations.

But what will probably most influence opinion on the subject in the future is the result of the increasing number of actual experiments of the eight-hour system in various works. Especial attention has recently been attracted by the experiment of Mr. William Clean of the Section Engine Works, Sunderland, who has indeed lately got into Parliament by the means of it. His men had been working nine hours a day and habitual overtime besides, but in January, 1892, he introduced the eight-hour system under an agreement that in the meantime wages should be provisionally reduced by five per cent, but should be increased to the old figure again if it were found that the work done was as much as it was under the former system. The work done was found to be actually more than under the old system, and that too although there was no habitual overtime. The reason was simple: the men lost less time and wrought with more energy. Formerly they were often absent before breakfast altogether, and even if they came, an hour's work before breakfast was never equal to an hour's work after. Messrs. Thomas, engineers in Stratford, England, had already made a similar experiment, with the same result. The work done in the shorter day was actually greater than the work done in the longer one. Mr. Beaufoy, M. P., vinegar and jam manufacturer, obtained precisely the same result; more work was done, and yet no overtime was required. In the gas works the result has been various. The same reduction, from twelve hours to eight, was granted to the stokers of all the gas companies in London and several other towns in 1889. The stokers of Sheffield, as I have mentioned, did very nearly as much as before; but in London, while all had the same reduction of one-third per cent in their time, the stokers of one company did only one-twelfth the less work in the day, while those of another did one-seventh, and those of a third one-sixth less. Officials of the companies,

however, complained to the Labor Commissioner that the men did not try to do their best: and there can be no existent reason why the stokers of London should not do as well as the stokers of Sheffield, or why the stokers in one London works should not do as well as the stokers in another. Of course, it is not to be expected that the eight-hour day should have the same result in all twelve thousand occupations, however different. When the Haddenfield Corporation substituted two eight-hour shifts for one twelve-hour one on their tramways they needed more conductors and drivers, but they needed, not one hundred per cent, but only fifty per cent more. There are doubtless many other kinds of industry in which shorter hours must mean shorter work, but recent experiments seem certainly to suggest that in the ordinary run of productive trades, the eight-hour day will, like the ten-hour one, result in such an improvement in the personal efficiency of the laborer as shall at least make up for the loss in the duration of his labor.

JOHN RAE.

Demand and Supply.

In the December number of the SOCIAL ECONOMIST, Professor Woodford attacks very successfully the so-called law of demand and supply as a regulator of prices, on the ground of its superficiality and indefiniteness; but it is questionable whether the law which is substituted for it, and which has been so brilliantly advocated by Mr. Gunton in his published volumes, is an improvement in point of scientific precision. The terms demand and supply as commonly used mean nothing, and yet they furnish the sole weapons of attack on the part of antique economists and jurists in their resistance to the live social movements of the day, especially the labor movement. Is there not something back of these terms, and may they not sum up a great deal of meaning? I believe that if we analyze them thoroughly, and analyze also Mr. Gunton's use of terms, we can arrive at a statement of the law of prices which shall be accurate in theory because in correspondence with facts.

Our first problem is to determine what is meant by demand and necessary supply.

Producers in modern times produce their products not for their own use but for sale and profit. Their great concern, therefore, is to know what amount of goods they can sell and what prices they can obtain. This is the demand for their goods. Value and prices have no significance to them except as meaning that the possession of the things which they have produced gives them power to command from society a return of social products in exchange for their goods. There is an element of compulsion in value. Purchasers are forced to give useful things in exchange for products, because, perhaps, their life may depend upon it. Wants and resources on the part of consumers, private

property on the part of sellers, evolve the phenomena of exchange values.

The demand of the public depends upon their wants and resources. Now, wants are to be looked upon as extensive rather than intensive. It is true that wants, or rather needs, viewed from the standpoint of the physiologist or psychologist, vary greatly in intensity; yet all kinds of wants, no matter what their importance from a physiological point of view, are capable of satiety. This is due to the familiar principle of the diminishing scale of utility. The first increments consumed may give a very intense pleasure (or prevent very intense pain), but succeeding increments will give less pleasure, until, perhaps, finally an increment is reached whose consumption gives no pleasure at all. The only difference, from the economic standpoint, between different kinds of wants is the different quantities of goods necessary to supply them up to the point of satiety. A need does not become a want until it is felt, and it is not felt unless the provision for its supply is occasionally short of the point of satiety. We may, perhaps, have the most intense need for electricity in the atmosphere, but nature provides this electricity so abundantly that we never realize the want of it. The needs for electricity, air, and sometimes water, are not true wants, because we are not conscious of them. A true want must be felt.

But there are wants which are periodically felt. Nature, while lavish in her supply of our intense need for air, is niggard in her supply of food, clothing, and shelter. The degree in which the different wants are felt depends upon, first, the extent of the supply needed before the point of satiety is reached, and second, the quantity of the supply habitually provided, relative to the need. In the case of wants of limited supply, there is a marginal want determined by the limit of the supply. It is the least intense want of a given kind which is actually supplied.

Resources is the second component of demand. By resources is meant simply a person's share of the social

product, no matter what the cause or origin of that share. This income he receives first in the form of money or representatives of money. Money is a general claim on society for social products at current prices. The advantage of receiving his income in the form of money is that he can choose from the products of society different kinds of goods in proportion to the extent of his different wants. In order to do this successfully and obtain the highest aggregate of satisfactions, he extends his purchases along all the different lines of social products up to the point where he judges the marginal utilities of all his expenditures are equal. That is to say, he aims to get for the last unit of money expended in one line of goods a return of satisfaction equal to that obtained from the last unit in any other line. The ordinary workingman secures this result by spending about fifty per cent of his resources for subsistence, sixteen per cent for clothing, nineteen per cent for shelter, four per cent for fuel, and eleven per cent for sundries.*

Now, notice that expenditures are distributed in the proportion in which we find them because prices are what they are. Should the prices of subsistence fall one half, the workingman would redistribute his expenditure so that perhaps thirty-five per cent would go for subsistence, and a larger proportion for the other utilities. In this way the purchaser would distribute his resources to the best advantage, and would gain the largest total satisfaction. His wants for subsistence would be much better supplied now by an expenditure of thirty-five per cent of his income, and the marginal utilities of subsistence would be lower, so that expenditures in that line would give him less satisfaction. But by extending his expenditures in other lines, and supplying new wants with higher marginal utilities, he readjusts his resources on a basis suited to the new relations of prices.

It cannot be said, therefore, that any particular supply of a commodity is necessary. The quantity demanded de-

* Massachusetts Bureau of Labor Statistics, 1883.

depends upon the prices asked. The demand is for a certain quantity at a certain price, not for a certain quantity at any price. The extent of the demand depends upon the height of the price; it increases as the price falls and diminishes as the price rises.

So far for the wants and resources of individuals. Let us see what are the elements which make up the demand of society for given products.

1. The kind of want, as already described, which the commodity satisfies. More than one half the industry of our country is employed in satisfying the wants of the necessities of life. This class of wants, being more intense, constant, and extensive, requires greater quantities of goods, measured by the capital and labor employed, than other wants. The demand for comforts and luxuries is more quickly satisfied when once necessities have been assured, and therefore capital and labor employed in these industries must be comparatively limited.

2. The extent of the market. In a large country it is possible for larger enterprises and larger fortunes to arise than in a smaller country of the same character of population. Likewise the extension of transportation facilities over the whole world has opened up opportunities for mammoth productive enterprises never before dreamed of. Owing to the diminishing scale of utility in all commodities, the wants of the nearest consumers may be wholly satisfied with small investments of capital and labor, and the point of no profits would soon be reached; but the extension into new markets finds new consumers, whose wants have not been satisfied up to the point of profitless values.

3. Efficiency of social production. As the productivity of all industries increases, the producers have greater quantities of goods which they can offer in exchange for a given commodity. A wealthy community can pay higher prices and purchase greater quantities of goods than a poor community. And thus, as the various

employments of society each furnish the market for all the others, it follows that increased efficiency in any one will be followed by increased demand for all the other products. But this result has a limited application. Sooner or later an increased ability to pay shows itself, not in increased demand for accustomed articles, but in a demand for variety and improved quality. Thus the size of the market for a given commodity depends on

4. The distribution of wealth and the character of the people. If wealth is in process of concentration, luxuries and personal services will be demanded instead of staples; more highly elaborated articles will be required. But if wealth continues diffused, greater quantities of necessities and comforts will be demanded. The progress of society has shown a relatively decreasing demand for the products of the agriculturist. Wants of this kind are fully supplied on the part of those who are able to pay for them, and their surplus share of the social product is turned into exchange for more refined and expensive commodities.

5. The development of new industries gives employment to new workers and creates a demand for products of all kinds. New industries are the result of (1) the increased productivity of society and unequal distribution of wealth, already mentioned, which creates a demand for new and improved comforts and luxuries. (2) Inventions and discoveries which utilize nature better, and create new opportunities for employment. (3) Increased use of capital. This depends ultimately upon the growth of wealth in a community. Capital involves roundabout methods of production, and large numbers of persons are employed in the management and operation of this capital.

6. The prices of commodities. The demand of society for a given article may be looked upon as made up of a great many layers of demand. Every possible price has its corresponding layer of purchasers. The higher prices indicate a narrow layer, where wants are intense and where

resources are great. As we descend the scale of prices, wider and wider layers of purchasers, with less and less intense wants and less and less resources, find it economical to make purchases. The demand for quantity, therefore, increases with the lowering of price, or, in general, the quantity demanded varies inversely as the price.

These are the main circumstances which influence the demand of society for a given product. In all cases, this demand shows a diminishing scale of utility. In all cases, therefore, the *entrepreneur* is liable to diminishing returns on his investment, whether it be in agriculture, manufacture, or commerce. No matter what the extent of a market for a given commodity, it is ultimately subject to diminishing values. If all kinds of wants were supplied to satiety for all people, there would be no values and no exchange. No wants would be felt, and therefore no efforts would be made to supply them, and there would be no cost of production.

But we know that some goods require labor to procure them; they have real cost of production and they have values. This is due to no other reason than that their supply is limited relative to the demand. The price of any commodity, that is, the proportion of social product which society will give for it, depends upon the ratio of its supply to its demand. If the supply increases, the demand will increase, but at a lower price. Society, like every individual, accepts the prices of commodities as it finds them, and regulates its expenditures thereby, with the prime economical purpose of receiving equal quantities of satisfaction for equal marginal expenditures, and thus the greatest aggregate satisfaction.

And so for society, as well as for the individual, it is meaningless to say that there is a necessary supply. All that we can speak of is the customary supply. It would be true to the facts if we should say that the normal value of any commodity is determined by the customary supply of that commodity relative to the demand for it, compared

with the customary supplies of all other commodities relative to the demands for them.

With these results before us, the important question of economics is this: What are the forces which limit the supplies of commodities relative to the demands for them? The only thing which can directly satisfy human wants is the material of nature. This must be furnished to man in appropriate forms. Nature supplies some wants—the most extensive wants—in abundance, with material already prepared, as air and sunlight. These are free goods, and their marginal utility is nothing. Other goods are scarce, and can be obtained only when human labor controls and exploits nature. These are economic goods.

But human labor is always more or less associated and organized. Men do not work alone. Society produces goods in varied abundance. These goods are distributed among the members of society, and the relative abundance of each kind compared with the demand for it determines its value to all the members. Water is so near the line of free goods that even where labor is required to procure it the supply is so abundant as to reduce the value very nearly to *nil*. Nature is more niggard in furnishing material for other wants, and social labor, therefore, cannot produce them in such relative abundance.

But the niggardliness of nature is not the only cause limiting the supply for certain human wants. There are important social institutions and regulations which do the same thing. Government sometimes does this with the express purpose of increasing the price of the article to purchasers, as in the cases of intoxicants, narcotics, and oleomargarine. But more especially does the government give this power to individuals through the institution of private property and the creation of artificial monopoly privileges. Private property in land is simply the power given to individuals to limit the supply of land relative to the demands of society for it. Rent is that share of the social income which land owners can command by virtue

of their ownership. Rent is a part of the cost of production of every article which society consumes. There is no product which is not produced upon rent-paying land. If we agree that the most expensive part of the customary supply of a commodity determines the price of the whole, then we can always find that a portion of the expenses of production of this part goes to pay the rent of landlords. Take an agricultural product like wheat. The poorest land in the United States upon which wheat is grown is worth at least five dollars per acre exclusive of improvements. Then, in its various transformations from the wheat-grower to the bread-eater, this product turns off successive rent-payments to the ground landlords upon whose land are located the warehousemen, wholesale dealers, speculators, millers, bakers, and retailers. Every other product which society uses is subject to these same conditions.

There are other monopolies besides lands which get a share of the value of every product, and they are able to do this because the supply is limited relative to the demand for them. Transportation and telegraph monopolies are an element of expense for every product. Five sixths of the manufacturing of the United States is based on patents, and patents are simply exclusive rights to sell, *i. e.*, exclusive rights to limit the supply of articles relative to the demand. Trusts obtain their power to regulate prices only through their power to regulate supply.

All of these monopoly elements have power to limit supply, and thus to keep values above the cost of production. But many enterprises and many producers do not possess these monopoly privileges. With them competition plays freely; that is to say, they produce goods in such abundance that the value of the goods falls down to the cost of production. Their competition goes on above these monopoly elements. It is "marginal" or "peripheral" competition. Here only is value determined by cost.

By cost of production I mean in all cases the pain, effort, and sacrifices of producers, and this I understand

to be the use of the term by Mr. Woodford and Mr. Gunton. At least, when using it in the sense of expenses they always have their eye on the former as regulator of values. Now, I agree that expenses of production regulate prices, but expenses include more than costs. The whole mechanism of exchange centres around the retail dealer, who sells directly to consumers. He fixes his prices at such a figure as will cover, not only the expenses of his goods to himself, but also his own rents, wages, interest, and necessary profit. If free competition plays fully upon him, he can get no higher prices than these. But whether he gets only these or higher prices, his only means of forcing purchasers to pay his prices is by having the power to prevent sales at lower prices, that is, a control over the supply. He limits supply by purchasing of wholesale dealers only that quantity of goods which he thinks can be taken off at paying prices. Thus the value of the finished product is distributed back among all the factors of production. Each factor determines its own share through its power of limiting its own contribution to the finished product.

The factors which have been mentioned above are strictly monopoly factors, with well-recognized powers of controlling supply. There are perhaps two other factors where cost of production may be the determining force. These are capital and labor.

By cost of production of capital is not meant the cost of producing the raw material, because the value of raw material includes payment for monopoly profits, rents, and wages. All that is meant is interest on capital. Interest is a return due to owners of capital. Capital is simply stored-up products of labor. Capital can be freely stored up, the quantity can be indefinitely increased relative to demand, and the rate of interest can therefore be forced down to the cost of production. The cost of production of capital is the sacrifice or abstinence of the savers of capital, measured by the intensities of the pleasures which they

forego, and the length of time they have to wait. Now, a great deal of capital is saved which represents no sacrifice whatever. It is simply a reinvestment of profits which, if spent in present enjoyment, would produce only surfeit and ennui. But no man, not even the richest, can save capital indefinitely. A point is reached where sacrifice appears. Then the rate of interest, or future pleasure, is balanced against present pleasure postponed, and the cost of saving is equal to the rate of interest. His marginal savings represent cost equal to the rate of interest, but on all savings before the marginal the rate exceeds the cost. If we say that interest is proportional to the marginal cost of saving capital, then it is true that cost of production, so far as interest enters into it, is determined by cost of saving the most expensive part of capital that enters into social production.

The rate of wages is not determined by the cost of living, unless cost of living gives control over supply, but cost of living alone cannot do this. It may be an important element in aiding other factors, but of itself alone it cannot affect so momentous a result. Of the factors which control the supply of labor relative to the demand may be mentioned the following:

1. Labor unions. The very *raison d'être* of a labor organization for keeping up wages is restriction of numbers. This is accomplished by limiting the number of apprentices who are permitted to learn the trade, and refusing employment to non-union men.

2. Education, knowledge of trade secrets, acquired skill, and extraordinary original abilities are all eclectic agents which pick out a few from the great mass of workers, and set them in positions where they can supply the highest wants and the wealthiest patrons.

3. Restrictions on the immigration of a low and cheap class of laborers enable those on the ground to maintain a monopoly of their services.

4. Co-operating with these factors is a high standard of living, which effects its results through late marriages and small families.

On the other hand, the factors which tend to increase the supply of laborers and therefore depress wages are the opposite of those just mentioned. They are found in the unorganized, ignorant, unskilled, incapable laborers and those of a low standard.

It may be admitted that the standard of living of the most expensive laborers of a given class corresponds with the income of that class; and if the standard of living be looked upon as the cost of production of that class, we might say that the prices of commodities, so far as fixed by wages, are determined by the cost of production of the most expensive part of the laborers of that class. But this would be accepting a *post hoc* for a *propter hoc*, and would be setting up one of many causes for the sole cause.

In the case of unorganized, freely competing laborers, wages may be forced down to the very lowest cost of living,—below decent cost, indeed, as in the case of prisoners and paupers. But this descent must stop before the point is reached where the worker's abilities are wholly destroyed or he himself is sent to the poorhouse or prison.

These, then, are the only cases where it can possibly be said that cost of production determines prices,—the marginal savings of capitalists, the cost of living of marginal monopoly laborers, and the cost of living of freely competing laborers; and yet in all these cases it is questionable whether costs should be looked upon as causes or as coincidences. At any rate, their significance in the expenses of production of final commodities is lessened when we notice what has been said concerning the part played by monopolies.

Before attempting a final statement of the law of prices, we must notice the significance of the term, "the most expensive part" of the customary supply. If we were dealing with pure physics we might say that this

most expensive part need not be more than one per centum of the whole, because the necessary supply would not be forthcoming unless the price should rise high enough to cover the cost of producing this one per centum. But we are dealing with so very elastic a set of forces as human wants, human resources, and human enterprise. A trust cannot control the prices of its products unless it controls seventy to ninety per cent of the total products; and it may well be that in all competitive enterprises the same proportion would hold true. At any rate, the proportion must be so large that the minority, who have cheaper expenses of production, may not be able to extend their supplies far enough to meet the entire demand.

The final statement of the law of prices, to be precise, cannot be brief, but it may be loosely stated as follows: The price of a commodity is determined by the expenses of production of the most expensive majority of the customary supply. And to add precision, the following clauses must be appended: This supply is determined by the relative power possessed by the different co-operating factors of limiting their share of the total product relative to the wants and resources of society. Cost of production coincides with and partly determines expenses only in the case of the marginal savings of capitalists, marginal monopoly laborers, and all freely competing laborers.

JOHN R. COMMONS.

It appears to be a law of the human mind that old errors die hard and new truths are reluctantly accepted. Nor could this well be otherwise, as the old is that with which we are familiar; it is rooted in tradition and woven into the very fibre of our thinking. If old ideas were rejected on the first breath of criticism and new ones were accepted without ample justification, there would be no stability to human character or permanence to social institutions. It is not surprising, therefore, to find new-school

theories flavored with old-school superstitions. The doctrine of demand and supply was one of the earliest theories of prices, and for centuries substantially the only theory. The admitted failure of the wages-fund theory, which is but the application of demand and supply to wages, did much to shake the confidence of the more scientific economists in the general body of English economic doctrine, of which demand and supply was the bulwark. During the last twenty-five years this scepticism has increased, gradually forming itself into what is known as "the new school," whose postulates, if it has anything so definite, appear to consist of Jevons' theory of final utility,* and a reconstruction of the doctrine of supply and demand. It is only as a contribution to this new-school treatment of supply and demand that Professor Commons' article calls for consideration. Like Professor Cairnes in his effort to re-establish the wages-fund theory,† Mr. Commons begins by affirming certain definitional propositions regarding economic phenomena. The first is a definition of wants. He says, p. 278: "A need does not become a want until it is felt, unless the provision for its supply is occasionally short of the point of satiety. . . . The needs for electricity, air, and sometimes water, are not true wants because we are not conscious of them."

According to this definition a need becomes a want only when it cannot be supplied. A want for food is real only when the larder is empty. It will be seen that this definition makes human wants depend upon limited supply and not upon a desire in man to be gratified. A definition which makes human wants a part of man's environment, instead of an attribute of individuality, needs no refutation. In his eagerness to find a reason for attributing everything to scarcity, Mr. Commons has evidently confounded want with the pain of its non-gratification. A want is none the less a want because it is gratified before reaching a serious

*Gunton's *Principles Social Economics*, pp. 185, 186.

†Gunton's *Wealth and Progress*, pp. 37-52.

pain-inflicting stage. The degree of pain resulting from non-satisfaction shows only the intensity of a want, it does not determine its existence. We have inherited and acquired wants, also wants that are gratuitously supplied and wants that depend for their gratification upon human efforts. But they are all wants, and their non-satisfaction would inflict pain and in some instances death. The only real difference between them is in the means of their gratification. Our wants for air, electricity, and blood-circulation, are both inherited wants and automatically supplied by nature. Our want for food is also hereditary, but not automatically supplied, and must be satisfied by man himself. Many of our tastes are acquired as the result of the civilization in which we live. These wants also have to be supplied by man. The reason no effort is involved in supplying man's demand for electricity, air, etc., is not that these are not wants, but that they are supplied gratuitously, and the reason the gratification of other wants involves human effort is that they are not gratuitously supplied. The difference between these wants does not depend in the least upon the amount furnished to supply them, but upon the way they are supplied. If the want for shoes were supplied to satiety it would not affect the necessity for employing labor in furnishing them. Every pair of shoes would cost just as much to make if twice as many were made as were needed as if only one-half as many were made. A human want does not depend upon the absence of the thing required to supply it, but rather the supply of the thing depends upon the existence of the want. Nor does the want itself depend upon the existence of pain, but upon the individual's susceptibility of enjoyment in the use of the thing desired. The pain is the consequence of the non-gratification of the want, and is subsequent to the want itself.

As a deduction from this peculiar definition, he says, p. 279: "Now notice that expenditures are determined in the proportion in which we find them because prices are

what they are." This statement is nearly the reverse of true. Prices are mainly determined by expenditures being what they are. For instance, if the expenditure of a community for shoes is very small, the cost of supplying them will be high, because it will not pay to use improved machinery in their production. For this reason small consumption always implies relatively dear production and high price.

On p. 280 he says: "The extent of the demand depends upon the height of the price. It increases as the price falls and diminishes as the price rises." Here again we see that he has reversed the real relation of forces, making the demand depend upon the price instead of the price upon the demand. It needs no special study to see that things are not demanded because they are made, but that they are made because they are demanded. If Mr. Commons has any doubt about this, let him try to induce a capitalist to invest his money in the production of an article for which there is no demand. If hand-loom were supplied, at whatever price, it would not create a demand for them, because nobody wants hand-loom. Want is always the prior fact in economic movement.

On p. 282, as a sort of culmination of the foregoing, he says: "But we know that some goods require labor to produce them; they have real cost of production and they have value. This is due to no other reason than that their supply is limited relative to the demand." Here we see the utterly absurd result to which the first definition leads. Goods do not require labor to produce them merely because of the proportion between supply and demand, but because their existence depends upon human effort. The extent of the supply as compared with the demand has nothing to do with it. If the demand for shoes were double, they would require labor to produce them and have a cost of production just the same as if the supply was only one per cent of what was demanded. The cost of production is absolutely independent of the proportion between demand

and supply. Of course, if shoes were supplied gratuitously by nature, as sunlight is, labor would not be required to produce them, and they would have no cost of production any more than sunlight has. But, as I said before, this is not due to the fact that the supply is limited relative to the demand, but to the fact that the existence of shoes involves human labor, and human labor involves cost. The difference between the price of shoes and the price of sunlight is not the difference in their relative supply and demand, but the difference in the cost of the different means of supplying them.

Mr. Commons' remark that rent is due to private property in land giving power to the individual to limit the supply of land relative to the demand of society for it is a part of the same fallacy. The doctrine of rent is too well established to need discussion. Rent, which is only a name for the surplus product arising from the use of land of different degrees of utility, would exist just the same if the government owned all the land as under private ownership.

On p. 284 he says: "By cost of production I mean in all cases the pain, effort, and sacrifice of pleasure; and this I understand to be the use of the term by Mr. Woodford and Mr. Gunton." Here again Mr. Commons is in error. I have taken special pains to avoid this mistake. The notion that the amount of pain, effort, and sacrifice of pleasure is the measure of cost of production is one of the prominent errors of the early English economists, especially McCulloch. The amount of pain, effort, and sacrifice may be just as great with a ten-cent Asiatic laborer as with the ten-dollar American laborer; but the cost of production would be widely different. Cost is expenditure of wealth, not of pain or effort. The pain or effort may involve the expenditure of wealth, but it is the amount of wealth and not the amount of pain expended that constitutes the cost of production. To say the price is equal to the cost of production obviously can have no other mean-

ing than that it reimburses the producer for all the outlay involved in production. If Mr. Commons "agrees that expense of production regulates price," he concedes all Mr. Woodford or I contend for, and by virtue of such concession repudiates the old claim that prices depend upon demand and supply.

His next statement seems still less clear; it is that (p. 285) "the whole mechanism of exchange centres around the retail dealer who sells directly to consumers. He fixes his price at such a figure as will cover not only the expenses of his goods to himself, but also his own rent, wages, interest, and profit." Then where does demand and supply come in? If the price is fixed according to this series of expenses, how can it depend upon the ratio between demand and supply? But is it true that all retail dealers can fix the price of their wares high enough to yield rent, interest, and necessary profit? It is well known that such is not the case. In every locality, in any trade, there are some who are unable to obtain their interest or profit, but conduct business at the no-profit point. There is no such thing as necessary profit. Profit is an entirely contingent increment, and is not necessary to any form of business. It depends entirely upon the dealer being able to conduct his business at a less aggregate cost per unit than his competitors. The idea of necessary profit belongs to the exploded notions of the first quarter of the century. In every well-established business where competition prevails, profits vary from zero up, being contingent, as I have said, upon doing the business at less cost than some competitors.

In discussing interest he says, p. 285: "The cost of production of capital is the sacrifice or abstinence of the savers of capital measured by the intensities of the pleasure which they forego and the length of time they have to wait. . . . Future pleasure is balanced against present pleasure postponed, and the cost of saving is equal to the rate of interest." Here again we find Mr. Commons in

the superstitious period of the subject, returning to Professor Senior's abstinence theory. The notion that interest is a reward for abstinence and the rate equal to the pleasure postponed is among the least tenable theories ever presented as an explanation of interest. If this were true, all capital that is the result of abstemious saving would receive interest, and the rate would be proportional to the sacrifices involved in the saving; and capital that involves no abstinence would receive no interest. Experience, however, shows that the reverse is the case. The small amount of capital that is the result of abstemious saving is that owned in small quantities by hard-working and self-denying citizens. It is the people with small means who most frequently fail in business and are forced to accept low interest, and frequently lose their principal. On the other hand, the great bulk of the capital of the community, as Mr. Commons admits, is not the result of abstinence at all, but is simply a reinvestment of constantly recurring profits. From what do the Vanderbilts, Astors, Goulds, and Rothschilds abstain in order to accumulate capital? Yet they have the greatest amount of capital, and their capital is on the whole most profitably invested. They are the very class whose interests and profits are largest and most constant. In truth, interest bears no necessary relation to abstinence at all. Interest is paid for the use of capital in production, and is determined by the services it renders the borrower in augmenting his profits. If new capital will add twelve per cent profit, it will pay to give ten per cent for the use of it; but if it will add only eight per cent profit, no one in his senses will give ten per cent for it. The rate of interest is determined by the rate of possible profit resulting from the use of the borrowed capital. The only difference between interest and profit is that interest is a stipulated and profit a contingent portion of the surplus remaining after the expenses of production have been defrayed, and both interest and profit depend upon the user of capital producing at a less cost than his

competitors. Nature never rewards abstinence, she only rewards production. Whether capital can receive interest or profit depends absolutely upon whether it produces more than its competitors, and not upon whether it is the result of painful saving or the overflow of opulent income.

In view of his admission that "expense of production regulates prices" (p. 286), it is a little surprising to find Mr. Commons saying: "The rate of wages is not determined by the cost of living unless cost of living gives control over supply." The history of wages for five hundred years shows that they tend to equal the cost of living regardless of the supply of labor. Indeed, there has not been a time for more than four hundred years when the supply of labor has not been in excess of the demand, and yet wages have risen many hundred per cent during that time and have never permanently fallen. There is nothing more completely demonstrable in history than that wages do not depend upon the demand and supply of laborers, but always gravitate toward the cost of living, and this regardless of whether the income is derived from one source or from many. We have a fresh illustration of this in the recent strike among the waiters of New York City. At a meeting of the International Waiters' Association it was shown that wages of waiters at hotels and restaurants ranged from \$25 to less than \$20 per month, and the lowest wages are paid at the high-class hotels and restaurants, such as Delmonico's. The explanation of this low rate of wages is that they receive a considerable income from tips, and as the tips are most liberal in high-class places, the wages reach the lowest point there; in other words, the income tends to conform to the cost of living of the waiters according to their accustomed social status, and the fixed wages vary inversely to the amount of tips. If tips should increase, doubtless wages would disappear altogether, as they have in some instances where waiters will give their time for the tips. The same is true in England, where laborers are allowed the privilege of keeping

a cow or raising a few potatoes. The wages and the perquisites are found to be about equal to the wages of similar laborers where no perquisites obtain. The same principle shows itself in industries where women and children help the father to support the family. The wages of the men are proportionately low as the wages of the women and children increase.* On the question of wages Mr. Commons seems to have embraced the double fallacy of wage-fundism and Malthusianism combined. If Mr. Commons would hold abstract propositions less sacred and pay more respect to the actual working of industrial affairs, he would find that prices of commodities and labor in the long run tend to adjust themselves to the cost of supplying the most expensive portion of the general demand and that the matter of quantity is but an incident in the situation, as neither laborers nor capitalists will render their services or supply products unless they receive the equivalent of what they expend in furnishing them. In other words, cost and not quantity is the real determining factor in prices of both commodity and service.

GEORGE GUNTON.

*See Gunton's *Wealth and Progress*, p. 171; also Mill's *Political Economy*, Vol. I., p. 488.

Correspondence on Silver.

To the Editor of the Social Economist:

I consider your view, as shown in several numbers of your able magazine, more nearly correct than any held by writers who are bimetalists. The folly of maintaining a fixed ratio between coins of gold and silver by international agreement, or only for domestic use, has been clearly and utterly denounced by you; and it seems to me that nothing but economic bias or self interest may keep yet alive with some people the aforesaid scientific heresy. You are right, also, when you say: "The idea of entirely abolishing the use of silver as money is, for the present at least, out of the question. Whatever may be the ideal money of the future, for the present and for some time to come the use of silver, or of some other property money besides gold, is indispensable to the needs of commerce and industry."

Neither do I know that anybody has proposed the exclusive use of gold, even among the most decided monometalists. They all accept the use of silver for subsidiary coins, to pay small amounts inferior to the monetary unit. And on this score you well know that not only silver, but copper and nickel likewise, are accepted and used within bounds. Now, why do you object to the free coinage and use of silver, as well as of gold, at the ratio between gold and silver coins now prevailing, say, in the United States or in the so-called Latin Union? It is plain that if this ratio was to be permanently the ratio between the two metals on the market, you would not object to their being freely coined and used as aforesaid. Therefore, it is only the fact that the ratio between the value of gold and silver changes, and has actually changed of late years in no small degree, that makes you object to the prevailing practice. You believe in the solution of the silver problem by coining silver dollars in the same ratio to the gold dollar

as the ratio between silver bullion and gold bullion. "Every silver dollar must be the economic equivalent of a gold dollar, without reference to the number of grains it contains. Instead of trying to perform the miracle of adjusting the value to the grains, we must reverse the process, and adjust the grains to the value." Let me notice that this process was followed by the United States by act of April 2d, 1792, and by France by law of 1803. The ratio of 15 and $15\frac{1}{2}$ to 1, respectively established in their gold and silver coins, under bimetalism, was the supposed ratio between gold and silver bullions in the market. Nearly three-quarters of a century elapsed without any sensible change in the latter ratio being experienced, and this fact led to the misconception with many people that there was an intrinsic significance in said ratio, or the nearest to it, and that it should by all means be maintained.

Since the end of the last century Mirabeau saw the inconvenience of two units in a monetary system, with unlimited purchasing power allowed to both gold and silver coins, but he chose silver as the privileged metal. England came to a similar conclusion in 1816, but she preferred gold as the only standard with unlimited purchasing power. And let me state here, by the way, that this notion is what constitutes monometalism, not the exclusion of either of the two metals, which in some way or other must needs be simultaneously used.

It is scarcely twenty years since the depreciation of silver became so conspicuous as not to be ignored any longer, and the "silver problem" began to appear as an economic and perhaps unfortunately a political question likewise. Up to that time, and certainly in 1868, at the time when the first Monetary Conference met in Paris, there was no objection in the United States to monometalism on the gold standard unit. Such was the mind of the government delegate at the Conference, and of Mr. Sherman, who corresponded with him on the subject. In 1834 the United States changed by law the ratio between gold and

silver coins to be as 1 to about 16, which might yet be considered as the ratio of the two metals. But it was only in 1873 that silver was demonetized, a very improper expression to mean that silver coin was no longer to have a full but a limited purchasing power. Just about that time silver began to depreciate, and from $15\frac{1}{2}$ or 16 it has rapidly come to 23 with respect to gold, some 30 per cent difference. A silver dollar, to conform to this proportion, should now have over 500 grains instead of $412\frac{1}{2}$.

But how to check the descent in the value of silver? If in 1900 silver is found to be as 28 to 1 with respect to gold, another coinage on the new proportion should be required. I do not consider it likely, but it is possible; and this is why England, when no perceptible change was yet noticed in the value of silver, and merely on principle, wisely adopted gold as the only monetary unit, with full purchasing power, or call it if you please monometalism. Germany followed in 1872, Holland and the Scandinavian States afterwards, if I am not mistaken, and practical monometalism is now the condition of the Latin Union by great restrictions in the coinage of silver. So that the tendency of European nations is to monometalism on the gold standard. In the United States the principle is unpopular, because of the delusion of cheap money; but I am much mistaken if in the long run America is not compelled by the strength of scientific laws to follow in the same direction. Vainly has she struggled, and may perhaps struggle yet a while, to enhance by agreements and other artificial means the value of silver. Few if any dare now advocate monometalism upon the gold standard principle; and, acting on the opposite state of things which at present obtains, you propose the new coinage as "the solution of the silver problem." My conclusion from the stated facts is that, although the mint should at all events conform with the value of silver in the market, this process is not by itself alone the desired solution.

I doubt whether there is or will be in the near future a real solution, but earnestly believe that the inconvenience which we all seek to remedy may be and really is atoned for wherever employed by the precautions: (1) to limit the purchasing power of silver, confining it to values, say, not over ten dollars; (2) to coin in fact not gold units, but only silver ones, which gives considerable increase to the use of the white metal. This has been done in Germany, and virtually in England, since the shilling is for all practical purposes the real monetary unit in that country, the sovereign being in fact a mere sum of shillings. The American silver dollar is already big enough, and would be too large perhaps if coined with over 500 grains of pure silver. To provide for this trouble we might go a little further in our suggestions, and advise not to coin whole-dollar pieces, but only half-dollars, which are handy enough for small transactions.

And now, what to do with the actual dollars? The question is not a simple one, but has to be confronted under any monetary system which is to prevail, provided that new coinage of silver is to be performed, as you recommend and I heartily approve, in conformity with the market value of bullion.

JUSTO AROSEMENA.

To the Editor of the Social Economist :

In your article on "The Solution of the Silver Question" in the March issue of the SOCIAL ECONOMIST, you put forward a scheme which, while not free from the objection that by increasing the supply of money it would be unfair to creditors, is nevertheless well within the range of practical politics, if viewed as a compromise between the free-coinage advocates on the one hand and the monometalists on the other. But there are several practical difficulties in the way of carrying it out. I will put them as shortly as possible, and think your readers would be glad to know how you propose to deal with them.

I conclude from your article that in proposing free coinage of dollars containing a dollar's worth of silver you do not intend to fix a price for silver compared with gold once and for all, and then coin dollars of a fixed weight on that basis. This would be bimetalism pure and simple; and in your article you strongly denounce bimetalism. It is true that if this plan were adopted the silver dollar might for the present approximate in value to the gold dollar; but only a bimetalist can believe that the values would remain the same for any considerable time. What you propose, then, must be to coin dollars varying in weight from day to day or from week to week according to the price of silver. The difficulty of constantly changing the coining machinery in order to follow the changes in the weight of the dollar would probably be very serious, and can only be appreciated by a person thoroughly acquainted with such machinery. It might possibly be lessened by making all dollars of the same area and of varying thickness; this would make it unnecessary to be constantly making new dies. At all events, the inventive genius of the American nation would doubtless overcome this purely mechanical difficulty.

But what would be the result of coining dollars of varying size? All those which were heavier than the ones being coined at the moment would be melted and brought for recoinage. It might even be feared that these heavier dollars, being worth more than those being coined at the moment (on account of the profit to be made by melting), would not pass current at the same price as the others, and that every man would have to weigh his dollar to find out what it was worth before he parted with it; but it seems probable that when the price of silver was fairly steady the difference of value between the heaviest dollars and those being coined would be too slight for the ordinary man to take any notice of it. The business of sorting and melting would be left to bankers and others who could do it on a remunerative scale, and would thus reap a small profit in return for their services to the community in helping to

keep the coinage of even value. The cost of this constant recoinage would, of course, fall on the treasury, as no seignorage would be charged; but the advantages of a comparatively sound monetary system would more than make up for this loss.

It is clear, then, that owing to the profit on smelting the heavier dollars, there could never be in circulation any considerable number of coins heavier than those which were being coined at the moment. On the other hand, if the price of silver continued to fall, there would always be in circulation a vast number of coins lighter than those being coined. Consequently the total value of the dollars in circulation would be far smaller than their nominal value; in short, the state of currency would be much the same as it is at present, and only better than what it will be if the Sherman Act remains unrepealed.

I conclude that it would be part of your scheme to make the silver certificates now in circulation represent so many dollars' worth of silver. I have no statistics before me, but I believe that the silver bullion in the treasury would be quite insufficient to cover them; and if the price of silver went on falling, matters would only become worse.

I think the difficulties to which I have drawn attention will show that the scheme proposed is not by any means a perfect solution of the silver question; it would be, at best, a fair compromise.

G. H. OLLIVER.

To the Editor of the Social Economist :

Your "Solution of the Silver Problem" would seem to meet the case provided you advocate the holding of the silver by the Government in the shape of bullion; while, on the other hand, if you advocate its conversion into coin, there would result a difference in size of the silver coins of the same denomination. You start upon the sound basis of the cost of production determining the price of the two commodities, gold and silver, so that if the unit of value were established according to the property that is to-day in

the two metals the proportion would be, say, 23 of silver to 1 of gold; and so long as the price of silver remained at 83 cents an ounce, there would be no disparity between the silver dollars and the certificates issued against them. But suppose the price of silver falls to 80 cents an ounce, and the metal be coined on a ratio of value, as before; then the certificates first issued would be at a discount because the coin they represent has lost its equivalency. Now, if the silver should be left in the state of bullion, the margin of deficiency that might occur at any time could be replenished by the purchase of bullion; and, on the other hand, a surplus of bullion arising from the advance in price of silver would warrant the issue of more certificates. The necessity of coining the silver, except in fractional parts of a dollar, would disappear when the certificates issued against the bullion in the treasury were given an absolute equivalency of gold by periodic adjustment upon a ratio of value. It is not clear to me, from your article, how the ratio of value established upon the price of the two metals in the market will remain fixed, when the price of one of them is admittedly of a varying nature.

R. D. A. PARROTT.

To the Editor of the Social Economist :

I supposed it was the law of the land that the Government must take all the silver offered it from any source, and pay for it in silver certificates at the present market price, a rule having been made whereby the head of the Treasury Department can always determine the market price. Suppose it was also the law of the land that any one wanting silver bullion, in lots of say \$100 or more, can exchange such certificates for silver bullion at market rates. Now, in your opinion, would not the Government make as much as it would lose by these transactions, especially when it is taken into account that the loss or destruction of the outstanding certificates goes to the profit of the Govern-

ment? What could or would be the defects in the working of such a law?

A good deal is being written about agreement between the principal governments of the world as to the quantity of gold and the quantity of silver that shall constitute or be worth one hundred cents, whatever that may mean. Now, if such an agreement should be entered into, does any intelligent person suppose that would fix it? So long as the standard of value would be reckoned by the amount of gold fixed for the gold dollar, would not the amount of silver fixed for a silver dollar be liable to be at a premium or at a discount? And would not the same thing happen to gold if the amount of silver fixed for a silver dollar was taken for the standard?

I think it will always be utterly impossible for the governments of the world to fix on any amount that would determine the relative values of these two metals. The cost of production and the demand will always be factors in determining the market price of each of these metals, as for all other commodities. If an amount of gold is agreed on as the standard of value, that fact will not hinder the value of the gold dollar of to-day varying materially from its value twenty or one hundred years hence as measured by the amount of labor or other commodities that a dollar will buy. It will depend more on what amount of labor it will take to produce the gold fixed for a dollar, twenty or one hundred years hence. The United States can be as independent of the other governments of the world without an agreement of this kind as with it. For the amount of silver coin that it will be convenient for the people to use as money it will make no difference whether a dollar shall contain eighty cents' or ninety cents' or one-hundred cents' worth of silver, so long as a way is open to exchange that dollar for one hundred cents worth of silver bullion at market rates.

AMOS DENSMORE.

[The questions raised in these letters will be dealt with in the editorial article of our next issue.]

Among the Magazines.

We hear it said that our social system compels men to be selfish or grasping ; that they cannot act in accordance with their higher nature. . . . We have hence an immediate moral interest in knowing whether what is often said of our social system is true. *Does* the system compel us ; are we not free while it lasts to follow the higher promptings within us?

IN the *International Journal of Ethics* for April, under the title "Reform Within the Limits of Existing Law," William M. Salter ably discusses this question, and concludes that the individual may fix his own moral standard independently of the laws governing the society of which he is a unit. For instance, no law will prevent those who believe that what is called the unearned increment in land values should be public property from devoting to public uses this unearned increment. The principle advocated is one that forcibly appeals to every morally strong or morally sensitive character, especially when the development of individuality, rather than the sinking of the individual in the social aggregate, as in socialism, is believed in. Mr. Salter appears not to have considered, however, that this principle, from its very nature, is impossible of application ; for those who receive the unearned increment are never those who believe that it should belong to the public, and those who regard the unearned increment in land values as oppressive and unjust are those who own no land. The disadvantage of Mr. Salter's suggestion, therefore, is that those who believe it cannot apply it, and those who can apply it are never likely to believe it.

Mother-love has always been sufficient. The most ignorant women have trusted to it, and the most learned have found it potential. . . . Mother-love is the spirit of self-sacrifice, and self-sacrifice is the meat and drink of all true and pure affection.

THIS the text of the article "Good and Bad Mothers," contributed by Mrs. Amelia E. Barr to the *North American*

Review for April. The unqualified acceptance of this doctrine, that has for ages been preached as women's gospel, is fraught with great danger. Self-sacrifice is no longer the sublimest or the most effective form of effort, and self-effacement may become a moral wrong. Let the mother beware who trusts alone to the universal instinct of motherhood, to the efficacy of self-sacrifice. Only in the measure that instinct is aided by development of all the faculties can the complicated conditions that confront one be successfully met, the preplexing problems be satisfactorily solved, the delicate and difficult decisions that shall affect a soul's destiny be made. No one may hope, in the complex life of to-day, to bear the responsibility of one duty only, or even, if only one is accepted, to fulfil that by passive self-surrender. That mother who serenely shuts herself into her nursery wrongs herself, her husband, and society, which has claims upon every individual; and, with her own soul starved, her own horizon narrowed, her own vitality un-nourished, she cannot give life's best to her child. The mother-love that is instinctive has fit place only in the simplicity of primitive life. Love, indeed, in any true sense, in any of life's relations, is possible only when a certain plane of physical and mental development has been reached; and on this plane instinct can have no dominant place. We may recognize the truth that self-seeking and social dissipation unfits a mother for her duties—as indeed it will unfit any human being for any duty; but the other extreme, that of self-sacrifice, we should remember, may be fully as detrimental. It is service, not sacrifice, that promotes human welfare.

Who will claim that, in the storm and stress of life, earnest and constant endeavor, rather than simple sacrifice, is not the heroic thing? Nations are saved or served to-day, not by noble impulse, but by deliberate action, by the trained intellect and the unerring judgment that are the result of the highest self-development. The simple joyousness of the early days has gone, and in its place have come

to human nature dignities and responsibilities that make self-effacement at best a moral indolence, at worst a sort of moral suicide. Self-development, not self-sacrifice, has become the high privilege of all and the imperative duty of those who are entrusted with the guidance of souls.

WE have received from Colonel Albert A. Pope several pamphlets pressing upon the attention of individuals and the nation the desirability and the necessity for well-built roads in this country. To this end are suggested a comprehensive road exhibit at the Columbian Exposition, the establishment of a road department at Washington, and placing of scientific road-making upon college courses of instruction. The movement is certainly in the right direction. Good city streets and good public highways are the necessities of an achieved civilization, and must be included in a complete system of national economy. That they are pre-eminently necessary for the bicyclist is incidental; so probably is bicycling, forming the transition stage between the time when most people must walk and the time when they may ride—on horses, or who may say what triumph of electrical ingenuity?

The French anarchist Rousset is reported as saying: "We seek to destroy the present state of affairs from top to bottom," and his confrere declares that "while it may be painful to shed innocent blood, it must be shed if the triumph of the cause can be obtained by no other means." The mental grasp exhibited by these cheerful bandits, who make nothing of destroying old worlds and creating new ones, justifies the belief, said to have been expressed, that they are accidents of misfortune on this little sphere, having been deflected at their birth from a superior planet where people never work. From this statement it may be inferred that innocent people will be permitted to escape if they do not get in the way.

Now, as guilt and innocence from the anarchist's point of view are simply property qualifications, it would be interesting for the class of people whose assets are in excess of their liabilities to know just where the criminal money line is to be drawn. Even if the anarchists have dimly realized the extent of the contract they have undertaken in appropriating the mantles of prosperity which seem to sit so ungracefully on the shoulders of the people who have earned them, it may not perhaps have occurred to them that their work will not be completed when the original class of offenders shall have become extinct, for it must inevitably happen, in the maintenance of equality, that frequent weeding out of the new regime will be in order.

THE work of social reform is receiving a rigorous impetus nowadays in practical efforts to ameliorate the condition of the poor, as specially evidenced in the working of Mr. Coit's Neighborhood Guilds. The ethics of charity are being reduced to business formulas for the end of supplying bread for the starving, coal for the freezing, clothing for the naked, and soap for the unclean, while the central idea rests in improving the environment and creating a fixed desire for a higher standard of living in the moral and physical sense as well.

FREE LANCE.

Editorial Crucible.

Correspondence on all economic and political topics is invited, but all communications, whether conveying facts, expressing opinions or asking questions, either for private use or for publication, must bear the writer's full name and address. And when answers are desired other than through the magazine, or manuscripts returned, communications must be accompanied by requisite return postage.

The editors are responsible only for the opinions expressed in unsigned articles. While offering the freest opportunity for intelligent discussion and cordially inviting expression of well-digested opinions, however new and novel, they reserve the right to criticise freely all views presented in signed articles, whether invited or not.

THE *New York Times* has announced that hereafter it will be a Democratic party paper. Just why it felt called upon to make this announcement it is difficult to understand. Its readers could hardly need such information, for no one could scan its pages during the last four years without realizing its partisanship. Perhaps the announcement is intended to convey the news that Messrs. Whitney, Cleveland, and Grace have become controlling stockholders.

THE WORKINGMEN of Belgium have at last succeeded in frightening their aristocratic government into granting them the right of voting. The parliament, which persistently refused to recognize the people's orderly demands, under the pressure of a fierce mob voted almost unanimously to grant universal suffrage, which vote has since been confirmed by the senate. It seems a little odd that at this late day physical force is the only argument that carries conviction to the minds of statesmen. Yet such appears to be the obtuseness of ruling classes. The governing intellect of Russia will probably not appreciate the necessity of giving a little political power to the people until a few more

czars are killed and the nobility terrorized beyond the power of endurance.

ONE MORE PLANK of the Chartist platform has at last reached Parliament. A resolution has just been introduced into the House of Commons to provide for paying the members of Parliament. "Payment of members" was one of the original measures of the people's Charter promulgated in 1835. The fact that it has taken fifty-eight years to bring so rational a proposition to the earliest parliamentary stage shows how slowly, if surely, the British mind moves. When England has accomplished this, with the remaining point of the Charter, annual parliaments, abolished the House of Lords, disestablished the English Church, repealed the law of primogeniture and entail, given home rule to Ireland, Scotland, and Wales, she will have proved her fitness for republican institutions.

MR. GLADSTONE has succeeded in carrying his Home Rule Bill past a second reading, which in English legislation is the critical stage. To the astonishment of everyone, Tory tirade has not deprived him of a single vote. The bill is now sure to pass through committee and go to the House of Lords, where its defeat is expected, unless that body shows more wisdom than ever before. Its rejection by the House of Lords will involve much more than the temporary defeat of the Home Rule Bill. Mr. Gladstone will probably appeal to the country against the decision of these lords and bishops, which will be a hard blow for their lordships. Englishmen have become very tired of titled obstruction, and the rejection of this bill will afford an excellent reason for discussing the wisdom of having a House of Lords at all, and is pretty sure to result in a radical change of the power of that body. If the British aristocracy really desire to prolong their present political status, they had better bite their lips and let the Home Rule Bill go through. But this is too much to ex-

pect. Besides, such a course might prolong the life of a political nuisance, which their normal stupidity will help to exterminate.

THE COUNTRY was promised some very superior statesmanship on finance if it would put the Democratic party in power. Mr. Cleveland was elected, and a financial crisis is here. Where is the statesmanship? First the Secretary of the Treasury intimates that he will redeem outstanding government obligations in silver. Then Mr. Cleveland steps forward to say that nothing of the kind shall be done, but that the hundred million reserve fund shall be used to maintain gold payments, and of course new bonds issued if necessary. Mr. Carlisle looks to the repeal of the Sherman Act as a remedy. But this cannot be done until next winter without a special session. If Mr. Cleveland refuses to call a special session to consider the subject, and carries out his announcement to redeem the obligations in gold, the government will simply have to continue paying gold for silver to hoard up and increase the national debt in order to obtain the requisite gold. But when the Sherman Act is repealed, what then? The country will only be in the same position it was before that act was passed. It is a solution, not a shifting of difficulties, that is needed. If the administration has any statesmanship to offer upon the subject, now is the time. To merely look wise and ask the country confidently to wait in the hope that "something will turn up" to save the situation, will not long pass for statesmanship. Even such an expert as Mr. Cleveland can hardly expect "to fool all the people all the time."

THE STRIKE among hotel waiters in New York city is demonstrating the futility of tips as a means of increasing the waiters' income. It is one of the abominable methods of payment that have come to us from mediæval Europe, and ought to be abandoned. It has the double disadvantage of making waiters always feel dissatisfied because

they never know what the next day's income will be, and making traveling and hotel experience an annoyance rather than a gratification, and it puts people of moderate means at a disadvantage because they cannot get the same attention which the wealthy can always command. Moreover, it enables hotel-keepers to charge guests for their accommodation, and then to set the waiters at them like so many curs for an extra tax in order to receive decent attention. A guest never knows when he has paid enough, nor the waiter when he has been adequately tipped, simply because there is no rule as to amount. The practice degrades laborers and provokes patrons without benefiting any one. It would be worth all the inconvenience involved in a universal strike to have a grand revolt take place against tips altogether. In a country like this the practice ought not to be tolerated by either waiters or guests. Let waiters demand proper wages, like other laborers, and guests demand proper accommodation and respectful attention, and pay the schedule price. Then laborers would always know what they were to receive for their service, and guests what they had to pay for their accommodation. Laborers would be freer and everybody else would be happier. Tips are unAmerican and must go.

THE first note of administration tariff music has at last been sounded. The New York Reform Club, which is headquarters for administration ideas, under the guidance of Mr. Cleveland's last Secretary of the Treasury, has prepared a new tariff bill. This bill has the merit of being true to both the letter and the spirit of the Chicago platform. The preamble boldly announces that in arranging the schedule "the object has been to fix such rates as would produce the largest amount of revenue in a series of years consistent with large importations." Thus the object proposed is not only to raise revenue without protection, but to raise it in such a way as shall promote the largest amount of importations; or, to put it in square Saxon, to

inflict the greatest amount of injury upon home manufactures. This is indeed true mugwump gospel, though we hardly expected that they would have the boldness to reveal their real animus quite so plainly. Usually anti-protectionists at least pretend to advocate free trade in the interest of America, but even this pretence appears now to have been thrown off, and the avowed object of the new tariff bill is to diminish the amount of home production by so levying duties as to promote the largest possible amount of importation. We are assured that the committee has pursued this object in "good faith," and apologizes for having left any protection at all in the bill, saying that "such protection has never been made an object, but where it has been apparent that the largest revenue for the government would incidentally result in some protection for manufactures, it has not been thought right to reduce the public revenue merely for the sake of abolishing protection." A more direct announcement of the intention to injure American industries was never made, even by the British before the Revolution. If the administration majority in Congress will only be as frank as Mr. Fairchild's committee, the country will at least understand what the Democratic policy is.

THE SPRINGFIELD REPUBLICAN has recently investigated the question of murder in Massachusetts, and to its astonishment finds that while the aggregate number of murders in the State has diminished about forty-one per cent during the twenty-two years from 1871 to 1892, the improvement has nearly all taken place in the eastern or manufacturing portions of the State, while in the western or agricultural regions there has been little improvement, some western counties showing as many murders in the second as in the first half of the period. Thus, for instance, in Franklin and Hampshire Counties, which are rural regions containing no cities, nine obscure towns, with a total population of 8,331 in 1890, had 11 murders in

the twenty-two years, or one more than Worcester with 280,787, thrice as many as Bristol with 186,465, only one less than Middlesex with a population of 431,167, and one-third more than Essex with 299,995 population; and in Suffolk County, which is really Boston, with 484,780 population, the number of murders has diminished from 20 in the first half to 6 in the second half. It would be difficult to find a more conclusive demonstration of the superiority of city over rural life and of manufacturing over agricultural occupations, especially when we remember that these great manufacturing counties contain the foreign population, and that in the rural districts, where crime is so much greater, the population is mainly native, and the criminals have been almost exclusively such. This shows that opportunity for social life and moral improvement tells on foreigners, and the lack of it even on natives. This result appears to have staggered the *Republican*, which suggests superior police regulations as a remedy for the weak morals of the western population. One would think it would occur to the editor that the remedy really lies in what constitutes the great difference in the two sections of the country, namely, more complex and varied social life, higher wages—in a word, more advanced industrial conditions, which manufacture and commerce give and hillside farming prevents; in short, that in Massachusetts, as everywhere else, morality improves as the wealth per capita of the population increases and the variety of social life advances.

Book Reviews.

Socialism, Utopian and Scientific. By FREDERICK ENGELS.
Swan Sonnenschein & Co., London. Charles Scribner's
Sons, New York. 1892. pp. 117.

Socialism, Utopian and Scientific, is a brief presentation of the philosophy of socialism. Mr. Engels was the comrade and close personal friend, in war and in exile, of Karl Marx, and therefore is of all men best fitted to give us the doctrine of socialism *ex cathedra*. This he has done in a very concise manner without being offensively dogmatic. Exclusive of introduction and appendix, neither of which is essential to the text, Mr. Engels has presented the case of socialism in eighty-seven 12mo pages, in exceptionally large, clear type. He divides the subject into three parts, each representing a period in the evolution of industrial society and the development of the human mind. These periods correspond very closely to Comte's periods of social evolution as theological, metaphysical, and positive. Mr. Engels' periods are utopian, metaphysical, and scientific. To utopian socialism, an ideal and largely religious mode of socialism, he says,

until very recently all French and English socialists did homage. The earlier German communism, including that of Weitling, was of the same school. To all these socialism is the expression of absolute truth, reason, and justice, and has only to be discovered to conquer the world by virtue of its own power. And, as absolute truth is independent of time, space, and of the historical development of man, it is a mere accident when and where it is discovered.

This mode of reasoning was modified by the metaphysical method which the Germans developed; but with the growth of metaphysical thinking came industrial development, and the new social conditions which presented themselves forced the mind into a study of the history of actual life as the basis of generalization. "From this time forward," says Mr. Engels, "socialism was no longer an accidental

discovery of this or that ingenious brain, but the necessary outcome of the struggle between two historically developed classes, the proletariat and bourgeoisie." According to our author, the socialism of early days criticised the existing capitalist modes of production, but could not explain them. It could only reject them as bad, and the more it denounced the robbery of the masses by capitalists, the less able was it clearly to show in what this robbery consisted, or how it arose. This task was reserved for scientific socialism, which we owe to Karl Marx, who discovered the secret of capitalistic production through surplus value. With this discovery "socialism became a science. The next thing was to work out all its details and relations." The third part of the book is devoted to the presentation of scientific socialism, or the socialism of Karl Marx. Here our author is most at home, and he gives in a simple and direct narrative what in Marx's work is so handicapped by tedious prolixity. Taking as an incontrovertible economic discovery the doctrine of surplus value, which in reality is but a delusive assumption, he has little difficulty in making the case very plausible. In the words of Marx, he says, "Accumulation of wealth at one pole is therefore, at the same time, accumulation of misery, agony of toil, slavery, ignorance, brutality, mental degradation, at the opposite pole." Here our author suddenly relapses into the metaphysical or utopian methods of reasoning; for this statement has no basis in history, facts showing the reverse to be the case. It is only by this desertion of the scientific method that he is able to reach his final generalization,—that socialism is the inevitable historical outcome of social progress.

The criticism of Mr. Engels' book is that it takes for granted the very point in dispute, namely, the validity of Marx's theory that surplus value is the robbery of labor. To take this for granted is to beg the real point at issue between scientific economics and socialism. Mr. Engels' book has the merit of greatly simplifying his master's

statement of the case for socialism, but it fails to eliminate a single error or to strengthen in the least the weakest parts of the doctrine, which, until this is done, can never justify its claim as a scientific system of social economics. The great so-called discovery regarding surplus value is the fallacy of modern socialism. Unless that is justified, the whole fabric falls; and here Mr. Engels fails as completely as do the most superficial writers and speakers upon the subject.

Socialism Exposed and Refuted. By Rev. Victor J. Cathrein, S. J. Translated from the German by Rev. James Conway, S. J. Benziger Bros., New York, Cincinnati, and Chicago. 1892.

The author gives an exhaustive presentation, not only of the principles of socialism, but even of the details of the schemes of different leaders for the inauguration and carrying on of government in a socialistic state. He gives the platforms of the continental and United States bodies, showing that all have practically the same aim, and, by furnishing graphic illustration of the consequences of placing all departments of life under control of a central body, with equal duties and privileges for all, demonstrates the utter impracticability of such a scheme. Human beings, differing in temperament, ability, and strength, cannot develop the best that is in them in any such arbitrary manner. By reason of the great difference in men as to prudence, industry, and economy, the equality of which socialists dream could never be maintained except by continued violence. It would require a government far more despotic than that of the Czar to enforce it.

Father Cathrein exposes many of the fallacies of socialism, but he makes the mistake of introducing economic doctrine scarcely less sound. He says, for instance:

Socialism unduly exaggerates the importance of industrial life or the production of wealth. As in the life of the individual, the pursuit of earthly goods, if estimated according to its true import, occupies the last place in

human activity, so also it should be in the life of human society at large. The acquirement of the means of subsistence is subordinate to the higher intellectual aspirations of man.

Now, in our present partially developed state, the pursuit of earthly goods, instead of being subordinate, should have the leading place in human activity. Men must be inspired to want and to insist upon having better material conditions. This is what is taking place in the world today. We have vast organizations of laborers constantly demanding higher wages, less child labor, reduction in the length of the working day, supervision of workshops by government inspectors, and other improvements in their earthly condition. If these demands are not conceded, the workmen strike, and sometimes do violence. We presume our author, like a great many other people, regards this as a tendency to be deprecated. No greater mistake could be made. The absorption of workingmen in gaining earthly advantages is a sure sign that they are progressing. The savage never goes on strike. If he can get food and covering he is satisfied. Before you can instill into his mind the first conception of a higher life it will be necessary to revolutionize his material existence. His desires, his larger self-interest, will have to be awakened. After the laborer reaches the point where his hours of toil are less, the conditions under which he works less exhausting, and his compensation such that he can educate his children and provide his home with the comforts of civilization, his mind will reach out after the higher things of life. To expect the reverse is as reasonable as to expect water to run up hill.

The socialist programme embraces many demands for improvement in the social and material condition of workingmen that are admirable, but our author neither perceives nor approves them. He refutes only the scheme of paternalism, which is absurd and impracticable on its face. He seems to have no realization of the importance of economics in the social problem; to think that the

growth of material demands among laborers involves the spread of atheism. He would solve the labor question by means of the church, claiming that if only laborer and capitalist can be converted to Christianity, all evils will disappear.

History of the English Landed Interest. By RUSSELL M. GARNIER, B. A. Swan Sonnenschein & Co., London. Macmillan & Co., New York. 1892. pp. 406.

This book makes a useful and instructive addition to the literature of the day. The author shows and continually impresses upon his readers the great influence of the agricultural polity of the several periods of English history upon the land tenure of the country. So much stress indeed does he lay upon agricultural influence that the addition "and Agriculture" might justly be made to the title of his work. Opening with a brief description of the prehistoric period, he passes to the Roman occupation, and takes up successively different periods, with their manners and customs and their agricultural condition, up to the Stuart days. The relation of the people to the nobility and of both to the land is clearly shown, as is also the influence of that once all-powerful body, the church, on the land tenure. Mr. Garnier is certainly correct in maintaining that the agricultural polity of a people makes itself felt in their land system. As an agricultural history the book well repays perusal. But it has other good points. The manners and customs of the people of England, for instance, are described in a manner that is at once vivid and original. A farm in the days of the Angevins and a farm in the Tudor days are described with such graphic touch as thoroughly to acquaint the reader with farm life in those olden times. One of the important factors of the land system of England, the influence of the free towns, has been overlooked. Although hinted at, its importance is not shown, and thus the value of the work as a complete history is somewhat diminished.

The author has taken it for granted that his readers are well-read in economics and historical literature. But this presumption does not detract from the value of the book as a history, and we look forward with considerable interest to the appearance of the volume which will bring the history down to the present day.

From the Caves and Jungles of Hindostan. By Helena Petrovna Blavatsky. Translated from the Russian. The Path, New York. 1892. pp. 318.

The principle of sociology, that growth results only from an increase in the wants, material, social, and intellectual, of the mass of mankind, is fundamental and of infinite value. It affords an ever-present light to guide all efforts at social reform. But one who seeks a rule of conduct or a scientific principle in this work of Mme. Blavatsky's is doomed to disappointment. As the author admits, it was not intended for a scientific treatise. It is rather a fanciful presentation of what the traveler may see in India, "this country of lace-like marble palaces and enchanting gardens," this land of mystery and superstition, this possible home of the human race.

Mme. Blavatsky recounts the experiences of the delegation of the Theosophical Society in India, grouping and dramatizing and "coloring" the facts at the dictates of a capricious taste. The book has many pictures to amuse and to interest, but hardly to instruct, an idle moment.

SOCIAL ECONOMIST

JUNE, 1893

Application of the Silver Solution.

In the SOCIAL ECONOMIST for March we presented the general principles for an economic treatment of the silver problem.* Since then we have been besieged with questions, through editorial comment and personal correspondence, relating to the practical working of the theory. In the meantime financial conditions have assumed a threatening aspect, and we are on the verge of a financial panic, with its firstfruits, commercial terror and bankruptcy, already here. The most discouraging aspect of the situation is that, with Wall Street in a panic, bankers in a high perspiration, and business men trembling with fear, the administration indicates no statesmanlike disposition to deal with the situation. Nor do the administration journals throw any light upon the subject. They demand the repeal of the Sherman law, but what to do then they appear to have no idea. Yet this is just what the public want and have the right to know.

Although Mr. Cleveland is opposed to free silver on its present basis, he gave Senator Vest to understand in a recent interview, it is said, that a free-silver measure could be adopted if the ratio were made 20 to 1, which is 4 to 1 more than the present coinage ratio, and 4 to 1 less than the present market ratio, or an overvaluation of silver of fully 16 per cent.

It is needless to say that free coinage of silver with a sixteen-per-cent overvaluation would, as surely as free

* Solution of the Silver Problem, Vol. IV, p. 129.

coinage at the present ratio, change our currency from a gold to a silver basis. The change might be a little slower, but not one whit less certain. As we pointed out in our last article, it is impossible to establish a really economic, workable currency with two metals by any method of overvaluation of either, since the overvalued metal can be prevented from driving the other out of circulation only by being arbitrarily limited in quantity. Such a system necessarily precludes any natural elasticity of the currency and prevents it from being adapted to the varying commercial needs of the country. A strictly economic monetary system must be self-operative; it must be capable of automatically expanding and contracting the volume of currency according to the industrial necessity of the time. Whether the currency be composed of one or of two metals, it should be supplied without legal restriction, subject only to the commercial demands of society, the same as the supply of shoes or of any other commodity. If we had only a single basis for currency, gold, this would be undisputed, because, gold being the unit of value, there could be no possible danger of over-supply, since no one could have any more interest in supplying more gold than is required than in supplying more hats than can be sold. And if at any time more gold is furnished than is needed for money, it is worth just as much for use in the arts.

Now, all that is needed to give a smooth, self-working currency is, when a second metal is required, to use it under conditions that give it the same freedom as gold. The use of silver as money is absolutely a social necessity, not solely on the ground, as often urged, that there is not gold enough to furnish the money of the world, which is a doubtful claim. If there were twenty times as much gold as there now is, with its present cost of production it would still be impossible to make it the only material for money because of its great value. No people can use a material for money which is not capable of being divided into sufficiently small pieces to give more than one for a day's

labor. The laborers of no country could purchase their supplies with a money in which a week's wages could not be reduced to more pieces than there are working days in the week. Imagine a laborer compelled to purchase a week's supply for his whole family with a money that made it impossible, however trifling his purchase might be, to spend less than a day's wages with any dealer.

It will be seen, then, that in Asiatic countries, where the wages range from six to ten cents a day, gold would be utterly unusable as the sole material for money, because to reduce it to denominations small enough to facilitate the purchases of six-cent-a-day laborers would involve the coining of two or three cent gold pieces, which, it is needless to say, even the nimble-fingered Asiatics could not handle. It is for this reason, and not on account of the scarcity of gold, that silver, copper, and the cheaper metals have to be chiefly used for money in primitive civilizations; in other words, the lower the wages of a country, the cheaper must be the metal of which the money is made. Indeed, there is no country that could dispense with the use of the cheaper metals in its currency; and as the Asiatic and South American countries must of necessity use silver almost exclusively, and most European countries very largely, a currency without silver in America is out of the question.

The only thing to consider, then, in the revision of our monetary system is how silver may be used with the same freedom that we now use gold, with the certainty that the parity of value between the two metals will always be maintained. The method employed for ages has been to issue silver at a specific ratio with gold. The difficulty with this system is that, as the values of the two metals vary, and vary differently, there is a constant liability of silver becoming under or over valued, a fact which always threatens to change the monetary unit from gold to silver or *vice versa* and revolutionize values throughout the community to the disaster of industry. Simply to adjust the coinage ratio to the bullion ratio would, of course, tem-

porarily avoid this difficulty; but it would only be a repetition of the makeshift methods of past ages, and would do nothing whatever to prevent the recurrence of the same conditions in the near future.

Nor is there anything in bimetallism that can solve the difficulty, because it rests upon a misconception of the causes which govern the value of both metals. It assumes that with a double monetary standard, using both metals indiscriminately as monetary units, the parity of value between them would be maintained by supply and demand. Nothing could be more misleading. This notion is the remnant of an economic superstition that was for a long time generally accepted, but, like many other superstitions whose influence has lapped over into the nineteenth century, it has been entirely exploded by recent scientific investigation.

It is now as demonstrable as a problem in mathematics that no mere change in demand and supply can permanently lower the value of silver or of any other commodity, unless the changed quantity is accompanied by a diminution in the cost of production per unit. To expect that the values of a specific quantity of gold and silver, whose cost of production is constantly varying, can be kept equal by the action of supply and demand is the height of absurdity. One might as well expect to prevent cholera by witchcraft. The only way the two metals can be freely employed and their commercial equality maintained is to use them upon an economic instead of a political basis, recognizing the fact that statutory law can vary the quantity, but only economic law can determine the value. We must cease trying to work the miracle of adjusting the value of a silver dollar to the number of grains, and adopt the method of adjusting the number of grains to the value.

This can easily be done by recognizing, as now, a fixed number of grains of gold as the standard dollar, and by putting into every silver dollar a dollar's worth of silver. On the principle that any two things that are equal to the

same thing are equal to each other, every silver dollar containing a dollar's worth of silver must of necessity always be the economic equivalent of a gold dollar. It is exactly at this point that the practical difficulty arises in the minds of the critics of our last article on this subject. There appears to be a general acceptance of our theory; but just how to put it into actual operation is the question. They admit that so long as the cost of producing silver remains unchanged, or varies proportionately with the variation in the cost of producing gold, this view would be feasible; but it is when the cost of producing either metal varies more than that of the other that the practical difficulty arises. It is pointed out that if, as during the last few years, the value of silver continues to fall, and in each issue of silver dollars every dollar contains a dollar's worth of silver at the time of issue, we shall have in circulation silver dollars of different values, according to the variation in the market value of silver, those being most overvalued which have been longest in circulation. How, it is very properly asked, can these overvalued dollars be kept at a parity with gold if their issue is unrestricted?

This is the kernel of the whole question. If this is accomplished, the question is solved; if it is not, nothing has been done. There is but one thing that can secure a free circulation of any form of money, namely, its unhesitating acceptance throughout the community at its face value. In order to guarantee this, the money must either contain in itself the full value of its face or it must always be redeemable on demand in that amount.

It may be objected that since the more the value of silver falls, the cheaper the dollars will become, to coin silver dollars at their full bullion value would make them one-third larger than at present, and soon render them too cumbersome for use. This is true; but there would be no need for coining silver dollars under these conditions. People do not actually want coin, gold or silver, if they can have certificates redeemable in coin at their face value

on demand. Beyond its use as change in small transactions, in which coin dollars are never needed, there is no necessity whatever for coin in our domestic currency. Notes of various convenient denominations do better all the work of money. Silver, like gold, is required only to secure the property value to the circulating notes, consequently the coinage of silver dollars may be abandoned altogether, just as has been the coinage of gold dollars. Actual coinage of silver, therefore, might just as well be restricted to fractional currency with half dollars as the largest denomination. The question is really not one of coining, but of issuing and securing paper currency.

Clearly, then, besides making every silver dollar contain a dollar's worth of silver, those who issue the money must always be prepared to redeem in a dollar's worth of silver every dollar that may have become overvalued. Can this be done, and both those who hold the money and those who issue it be secured against loss? This is not really so difficult to accomplish as may at first appear. In order to secure the government against loss through the depreciation of currency that has become overvalued, the Secretary of the Treasury must always have on deposit an amount of bullion equivalent in value to all the notes issued against it and also to the overvaluation of all the coin in circulation. This guarantee may be obtained by providing that, with proper safeguards, banks can have an account with the government, their bullion on deposit being their security or stock in trade. They must be required to secure the government against fluctuations in the value of silver by having on deposit a margin of bullion or other first-class securities. Whenever, through the depreciation of silver, the margin of a bank's deposit disappears, it must at once renew the margin by a further deposit of bullion or other satisfactory securities or surrender part of its circulating notes. If silver appreciates, so that the bank's deposit is more than equal to the required margin for security, it may be permitted to have additional notes

without making additional deposits or to withdraw a part of its bullion without diminishing its currency. In other words, its circulating notes may contract or expand according to the aggregate value of its bullion deposit; and whenever a bank fails to maintain its marginal deposit, it must surrender its charter to the government.

In order to prevent any monopoly in the supply of currency, however, individuals as well as banks must have the right to convert property into money. All that is necessary to accomplish this is to pass a law giving any citizen the right to take one hundred ounces or more of silver of standard fineness to the Treasury or any sub-treasury, and have it coined at its market value, or to deposit it with the government, and receive its equivalent in silver certificates, each of which shall always be redeemable at the Treasury in a dollar's worth of silver or in gold at the option of the government. To secure the government in this case it would be necessary to charge a small amount, which experience would soon determine—say two per cent—for issuing coin or certificates. This would furnish a margin to cover any immediate depreciation. If the depreciation should increase faster than two per cent on the new issue would cover, the charge for issue could be increased to two and one-quarter or two and one-half, so as to keep the aggregate amount on deposit equal to the aggregate demand against it in circulation. If the value of silver increased, the charge could be diminished; if the appreciation of silver became such as to make the total amount of deposit more than the claims against it in circulation, no charge at all need be made; and if the surplus thus arising continued to increase, it might be applied toward paying the Treasury expenses of storage and minting, which expenses, under all other circumstances, should be borne by the government.

In this way private individuals as well as banks would have the right to convert property into circulating currency whenever their property was worth more to them as money

than as property; and whenever their property was worth less to them as money than as property the silver could be withdrawn, and put upon the market as property for industrial and commercial purposes instead of for currency uses. There would never be either a dearth or a redundancy of money, because whenever it would pay better to have property in the form of currency, it would be so used; and whenever it would pay better to have it in machinery, real estate, or other property, than in currency, it would be converted into such property. No act of Congress would be required either to contract or to expand the volume of currency; this would be done by the business community for purely business reasons, and the government would simply fill the function of policeman in the situation, giving a guarantee to the community that the currency would always be redeemable at its face value in the metal it represented.

Moreover, under such a system no incentive could exist for any one to tie up property as money, unless it would serve the community better as money than as property. When the price for obtaining money increased as the value of bullion fell, the higher price would act as a check upon locking up of property in the government vaults, unless it was really needed; and if it were really needed, the slight rise in the coinage price would be only the same as an increase in the rate of discount or of interest, which the interest that business men would give for the use of money would determine. But it would have the great advantage of always furnishing an adequate amount, however much that might be, if the price be paid.

The advantages of this system would be:

First, we could have absolutely free coinage of both gold and silver.

Second, by the issue of both coin and certificates at full face value, with a sliding scale of charges, every silver dollar would always be redeemable on demand in the full

equivalent of a gold dollar, and therefore would always be its economic equal the world over.

Third, the quantity of money would be automatically adjusted to the commercial needs of the community by changes in the rate of interest. When business men required money, it would pay the banks to increase the issue; and when business men did not require money, it would not pay the banks to increase the volume of the currency, because it would cost them something to do so. The community would also be protected against monopoly on the part of banks, because if the interest charged was exorbitantly high, business men could have money issued themselves by depositing silver bullion with the government.

Fourth, this system can be adopted by America without regard to the currency laws of any other country. No international monetary congress is required to inaugurate it, because, like any other business transaction, it rests upon the business methods and needs of the community.

By this system, besides having a single gold standard, we should secure all the advantages claimed for bimetallism and free silver coinage without any of the disadvantages resulting from a double standard, overvaluation, or other evils inherent in all fiat currency schemes.

Public opinion, financial and industrial conditions, are all ripe for a comprehensive treatment of the subject. There is therefore no excuse for the present administration to attempt any tinkering measures. It is a solution, not a mere temporary shifting of difficulties, that the country demands. That is what it wanted in November, when it changed the political complexion of the government. If the administration is equal to the occasion, it will command public confidence and receive the support of the best minds of both parties. If, however, it is incapable of dealing with the money question in a comprehensive manner, regardless of the fanatical element of its own party, it will simply add another failure to its history and lose the opportunity of a century.

History of the Ten-Hour Movement in America.

About seventy years ago the ship-carpenters and caulkers of New York and other cities on the Atlantic coast, who then worked "from sun to sun," commenced an agitation for a reduction of their working time to ten hours a day. Faint and feeble in its beginnings, this agitation increased in volume and in vigor, though repeatedly apparently suppressed, as the years rolled by, and finally achieved a triumph which was attended with important and widespread results.

In September, 1832, a convention of delegates from farmers, mechanics, and other workingmen of Maine, New Hampshire, Massachusetts, Rhode Island, and Connecticut, including several able men, met in Boston, and urged the adoption of various reforms, one of which was the ten-hour system.

In May, 1835, a general strike for the ten-hour system took place in Philadelphia and several other cities, which, though it failed of its immediate purpose, presaged ultimate success.

In December, 1835, the journeyman house-carpenters of Boston met and resolved to do all in their power to reduce the hours of labor to ten hours a day; in 1836 they struck, though unsuccessfully, for the ten-hour system. The same result attended similar strikes then made in other places. Still, the agitation made headway. On April 10, 1840, the ten-hour system was introduced in all the establishments under the Federal Government, and the example of the United States was speedily followed in private establishments in many trades. From the larger cities on the seaboard the agitation now extended to the inland manufacturing towns, and a series of philanthropic movements signalized the following years.

On October 24, 1844, John G. Whittier discussed the condition of the factory operatives in the *Middlesex Standard*, a weekly journal then edited by him in Lowell. He closed as follows:

What I complain of, what reason and humanity cry out against, is the length of the working day of the operatives. Ten hours are quite enough for labor. All beyond that is at the expense of the worker. To this great and very serious evil in our manufacturing system, the attention of the humane and philanthropic should be directed. Both classes, the employed and the employers, would be benefited in the end by the general adoption of the ten-hour system.

These words were republished by Whittier in the following year in *The Stranger* in Lowell.

In June, 1845, a great mass meeting was held at Pittsburgh, Pennsylvania, in favor of ten hours, which was followed by an extensive strike. On July 4, 1845, a great mass meeting of workingmen was held in Woburn, at which the ten-hour system and other labor reforms were strongly advocated by Charles A. Dana, now editor of the *New York Sun*, and other able men. In October, 1845, the New England Workingmen's Association, which had been organized at Boston in the preceding March, met at Lowell, and passed resolutions of sympathy and encouragement for the strikers at Pittsburgh.

In this year (1845) petitions were received by the Massachusetts Legislature from more than two thousand factory operatives in Lowell and Fall River for ten hours, and referred to and heard by a committee, which made an extensive report thereon. (House Document, No. 50.) The report, as was expected, was adverse to this reform; but the discussions which it stimulated greatly helped the cause. The passage of the ten-hour law by the British Parliament, in 1847, also stimulated the cause in the United States.

In September, 1852, a State Convention of the Ten-Hour Men of Massachusetts was held in Boston, the proceedings of which were widely published in newspapers as well as in pamphlet form. On September 21, 1853, the

eleven-hour system was adopted in Lowell, Fall River, and Lawrence, not by legal enactment, but by the action of the managers of the mills, taken in consequence of the pressure of the agitation for the ten-hour bill. (Cowley's History of Lowell, p. 149.)

Having obtained this reduction to eleven hours without statutory coercion, the operatives hoped for a further reduction to ten hours (the ten-hour system having become general in other branches of industry) also without statutory coercion; but their minds were occupied for a dozen years by momentous questions in national affairs, and the ten-hour cause languished until the close of the civil war. The disbanding of the Confederate forces was soon followed by a revival of the agitation for ten hours, first at Lawrence, and afterward at Lowell, Fall River, and other centres of the cotton and woolen manufactures in Massachusetts and other States. Ten-Hour Leagues were formed in the principal seats of the textile industries, and frequent meetings were held in aid of the cause.

The Massachusetts Legislature of 1869 having refused to incorporate the Grand Lodge of the Order of Knights of St. Crispin, the men employed in the boot and shoe manufactures, of which that Order was composed, called a State Convention at Worcester for the purpose of organizing a Labor Reform Party, and invited workingmen, irrespective of the particular branches of industry in which they were engaged, to send delegates to that convention. Prior to this time there had been little if any co-operation between the men engaged in textile industries and those engaged in the manufacture of boots and shoes. But it happened to the writer of this article to be president of the Ten-Hour League of Lowell and also counsel for the Grand Lodge of Knights of St. Crispin, and at his suggestion delegates were sent from Lowell to that convention. Mr. Robert Bower, then president of the Ten-Hour League of Lawrence, also attended the convention, with other members of that league, and served as its temporary president. The

convention adopted a platform which included the ten-hour law for textile manufactures, the right of incorporation for trades-unions, and other measures of reform; and from that time the workers upon leather acted in perfect accord with the workers in cotton and wool. The ten-hour movement was much aided by the Bureau of Statistics of Labor, established in 1869. In consequence of the pressure which was then brought to bear upon Republicans and Democrats, the legislature of 1870 passed an act incorporating the Grand Lodge of Knights of St. Crispin, and the legislature of 1874 passed the ten-hour law. Both these acts were sustained by the Supreme Judicial Court. (113 Mass., 179; 120 Mass., 383.)

How great has been the change in public opinion within twenty-five years! Then few favored the incorporation of trades unions or the ten-hour law. Now, the pope, the kaiser; the princes of the church, the princes of the world, all favor the right of association and the incorporation of associations of workingmen, and the beneficent effects of the ten-hour law are conceded by all. To me, and to every man and to every woman who assisted in procuring the enactment and enforcement of the ten-hour law, whenever we meet women and children on their way to or from the factories of Lowell, Lawrence, or Fall River, it is gratifying to remember that we participated in the movement which has taken one whole hour from their working day, and added one whole hour to the time allowed them daily for rest and culture and the comforts of domestic life. The condition of our factory operatives is destined to further improvement. Other reforms remain to be effected to enable the men and women in our mills to fight under better conditions the strenuous battle of life.

CHARLES COWLEY.

Natural Right of Suffrage.

In the Massachusetts colony, suffrage was granted by a vote of suffragans. It was never held to be an inherent human right. Any one could be elected to be a citizen by the consensus of freemen; but any one might be rejected by the same vote. In Connecticut, only church members were allowed to vote in political affairs. The nature of this qualification has been derided, but it was not so much its nature that concerns us as the fact that a qualification existed. It was not recognized as among natural human rights that the voter should cast a ballot expressing an authoritative opinion on questions he knew nothing about. At a later day the older States unanimously established suffrage limitations. The arrangement that, as Carlyle expresses it, makes "Judas Iscariot equal to Jesus Christ" was of late invention. It may be conceived as one extreme result of the contest of democracy with federalism, which latter, always held to be somewhat aristocratic, gradually went down before the conception of popular rights, and the equality of all persons was defined as eminently political equality.

To understand the real nature of the claim, without tracing it too closely historically, that suffrage is a natural right, we may observe that the colonists who came from England brought, in one shape or another, the old Teutonic town and county or shire. This was an outgrowth of the family, and was traceable, as far back as history goes, into the original patriarchal family. English civilization knew only the family as a unit in society, but France worked out the idea of individualism,—an idea which, slowly evolved in mediæval times, gained a strong momentum during the Reformation. It was first formulated, however, by Rousseau. From him and the French school of thinkers of the middle of the eighteenth century came the idea that all

men are equal. Our Declaration of Independence was an expression of this sentiment absolutely novel in politics. The full force of this revolution or evolution was not comprehended, nor was it fully applied to our own methods, until the present century. Gradually the restrictions to absolutely equal and free suffrage of all males over twenty-one have dropped away, the disabilities attaching to foreign birth or to color are reduced to a minimum, and practically there is no limitation to equal suffrage except that of sex and of heinous criminality and idiocy.

So recent this upgrowth of individualism has been that it has never been fully discussed or its consequences well understood. We have merely fallen into the habit of recognizing it as the political and social law of the future. It is becoming, however, an absolute necessity for us to know what are at least the probable consequences of an individual equality that says to every human being of a given age, "Though in my business affairs I would hold your opinion utterly valueless, your right to affect my business and the business affairs of the nation is equal to my own." If an intelligent American were pressed to give his real convictions on this subject, he would probably answer in substance, "Of course, this is a matter of sentiment, and men are not equally qualified to vote, but where is the line to be drawn? Moreover, the certainty that all men will be called on to express an opinion on public interests tends to educate them to be able to do so wisely. Are not our political campaigns great national schools? Besides, it must be borne in mind that if one part of the country is obstinate in its ignorance, ignorance of the other extreme is likely to prevail in the other part." Lincoln said wisely that so long as politicians could be kept from agreeing, the country was safe. Do individuals, then, really vote? Is it not rather lumps and masses that vote? Study one of our partisan contests, and judge for yourself how many men go to the polls after a calm consideration of matters at issue, and vote accordingly. The common question is, "To what

party do you belong?" In fact, our political machinery is not that of individualism at all. We have devised or have developed a scheme that disfranchises socially a man who is too free politically, or sometimes reverses these conditions. If a man desires equality in the honors of office he must give up equality in the exercise of free opinion. In some such way most men consider this question of suffrage. Looking ahead, we see that there is great danger; but we have a national optimism that leads us to believe that we shall in some way escape the perilous consequences of working on the false principle that all men are equal at the polls.

While most of our people probably understand that suffrage is not a natural right, and know that it was given freely in the early days of our national life simply because we did not foresee the possible dangers of this course, they yet can see no escape from the unqualified freedom which has been allowed it. We are receiving a quarter of a million of male foreigners each year, of whom not half a thousand have or will gain any rational understanding of our institutions, our history, or the nature of popular government; yet nearly all will become voters. We are expanding our boundaries, taking vast territories within our limits, and peoples of quite alien instincts and little training in self-government. Our municipalities are becoming masses, one-third of which consist of dependent classes, thieves, paupers, and vicious, and nearly all of these vote. What is to be done? We have opened the gates: who will close them? We have given these people equal suffrage: who will take it from them? They will not vote power out of their own hands. A few of the Southern States are legislating on the subject; but with an assumption of legislative power that would hardly be safe in all localities, and probably not wise in any. This is the very common and often expressed feeling that, having begun our national life on a basis of universal suffrage, we are now powerless to change it. This conviction, however, is not borne out by existing facts.

The possible readjustments of suffrage are in two directions. First, we may hold that the right to express an opinion and exercise directive influence on any subject of public importance shall belong only to those who are qualified by intelligence to such expression and influence; and in the case that capacity is made the test by which we judge the voter, we cannot consistently refuse to ignore altogether the question of sex.

Second, we may readjust suffrage on the basis of the family. The original unit of social and of public life was the family. Primitive law, says Sir Henry Maine, nowhere concerns itself with the individual. It was family custom that grew up into law; and later legislation, down to the time of the Roman Empire, took cognizance only of the family group. Why cannot the ballot in America belong to the family? Edward Everett Hale, among others, has recently expressed the opinion that this is the most probable as well as wisest solution of our citizen problem. But can we withstand the pressure of individualism? It would be difficult to conceive of family suffrage without so large an increase of the rights of the fathers as very nearly to undo the evolution of several centuries, more particularly all the work of the nineteenth century. Many households now contain three, four, five, or more voters. The sons possibly are better educated than the father, and better qualified to conduct public affairs. This is peculiarly true of the families of foreigners. Household suffrage would disfranchise every man not the head of a family. While on many property-involving questions the family ballot might be wise, there are few state or national campaigns, and even few town elections, that turn mainly on such questions. All things considered, it seems hardly probable that any form of family representation at the polls will become the custom of the United States.

I have discussed this question as an American, considering natural rights and artificial or contracted rights from the standpoint Americans are apt to look upon what

they term rights; and I am convinced that among natural rights suffrage has no place. The Declaration of Independence specifies our inherent rights as the rights to life, liberty, and the pursuit of happiness. Our English inheritance gave us the privilege of representation before taxation, the right to a free cultivation of our own soil and a free market. For the two latter we fought our Revolutionary War. Closely associated with these are the rights of free worship, free speech, freedom of the press, the right to petition, the sacredness of domicile, the right of trial by jury, safety from being twice in jeopardy for the same accusation, freedom from excessive bail and excessive punishment, the right of the habeas corpus writ, and freedom from *ex-post-facto* laws. The National Assembly of France in 1789 defined certain human rights to be natural and conferred by birth, including among these popular sovereignty and the right to do anything that injured no other person. The determination of these limits must be left to discussion and legislation. It would be a stout exercise of the imagination that included under any of these heads the right to equally affect by public ballot the decision of public affairs.

In any event, it is clear that suffrage should be held as a provisional right to be attained, an award to be secured by those who qualify themselves to exercise it. No prize should be held to be so admirable as attainment of the right of citizenship. The full exercise of suffrage should be attainable with some difficulty, and not fall into the hands of any one who happens to have breathed and eaten for twenty-one years. It would naturally follow that education would become adjusted to the development of citizens, enabling the young to qualify themselves for the exercise of suffrage and to secure it as early as possible. Readjusted to such a general purpose, suffrage would do more than any possible compulsory laws to enforce attendance on schools and to prevent illiteracy. E. P. POWELL.

Is Human Life Overvalued?

It certainly was not in former ages. The oriental potentates, according to the inscriptions on their monuments, had an unpleasant way of dealing with their prisoners. The Roman motto was *Væ victis*. The qualities most valued in those days were the strong arm, the resolute will, and the hard heart. With the Greeks and Latins virtue meant valor. Their heroes were by no means always heroic in our modified sense of the word. It was a man's business to cut his way to fame and fortune, no matter how many were hurt in the process. That notable French picture, "The Conquerors," lately so much visited and talked about and copied, sets forth fairly enough both the ancient ideal and the ancient facts. Alexander, Cæsar, Sesostris, and others like them, ride forth in triumph, while on each side stretches a ghastly array of corpses.

Christianity was a long time getting in its work in this direction. The doctrine was plain enough—in our view; but its disciples generally, whether kings or commoners, were slow to take it in. In some lands and for some time murder was punishable only by a moderate fine,—very moderate indeed, if the victim was not a person of rank. War was as brutal as ever, and its worst brutalities were matters of course. The standards of the Christian world, in this respect at least, were still frankly pagan. What were men made for but to fight? And what did they fight for but to kill their enemies? And who were their enemies, except such as stood in their way, whether wilfully or by accident? All through the Middle Ages the typical man rode over Europe, a ruffling, roaring, boozing, slashing barbarian. Europe could not do without him, paid him high wages, and held him in great honor.

He was still riding and slashing, and still high in his own esteem and that of the community, when what are called by courtesy Modern Times set in—and indeed long after. It is amusing, to those who do not find it tragic, to read of the doings of the Italian states in the days when Italy claimed to be the only civilized land. It had fine manners; and nowhere, at any time, was human life held in more cheerful contempt. It cultivated elegant learning and the fine arts, and it achieved high distinction in the arts of perjury and poisoning. Spain and France soon came in a tolerable second and third. A studied policy might increase the number of victims; but if we regard the substance and not the form, all Europe was a reasonably expert at slaughtering. Till about 1560 it was customary everywhere to burn people alive on account of their opinions, and wholesale horrors usually accompanied the taking of cities for at least another generation. That notable decree of the Inquisition which condemned to death the whole population of the Netherlands was merely “on paper,” and had no special effect on what was going on there; but it was sandwiched in between the affair of St. Bartholomew, which was the most active proceeding that Paris ever saw, and the proclamation of Philip II., offering a patent of nobility and a round sum in cash to whoever would remove the best and greatest man then living. “These things were not done in a corner,” and their audacity rather startled such conscience as Europe then possessed. Moderate men of all parties felt that the Massacre and the Ban were perhaps extreme measures. There were a few men, like Coligny and William of Orange, who disapproved savagery, whether for or against their cause, and, though far in advance of their time, their sentiments were not wholly without influence upon it. But the Thirty Years’ War and what followed on the revocation of the Edict of Nantes showed how little advance the seventeenth century had made toward what seems to us a rational and decent respect for human life.

We have changed all that now. We can see no sense in a system which made the destruction of man, as well as of his works, a main incident of public and private activity, if not the chief end of life: To career about in the mediæval fashion with fire and sword, hacking and hewing at human bodies, pulling down houses, uprooting trees, and reducing fertile fields and populous towns to a desert, seems to us not only profoundly immoral and heathenish, but ridiculous and suicidal. The sentiment of humanity, as affecting governmental acts and the mass of mankind, is a distinctly modern product, but to the modern mind a civilization without it seems to be so called in irony. The object of life is to cherish and develop whatever is of value, and to destroy only what either is useless or pernicious or stands in the way of something better. The business of a civilized government is to protect the citizen in his rights, the first of which is the right to live as long as he can, provided he does not interfere with other interests. This is perhaps a safer statement than that of some utilitarians, who say that his right is simply to live as long as he can with comfort and profit to himself and his neighbors.

It is true of many things that a little too much is worse than much too little, but with humanity it is just the other way. To go back to the old brutal idiocies—the exposure of infants, the slaughter of prisoners and heretics, the general callous stupidity of the past—would be to immolate both soul and body on a vile altar, to abandon the best gains of the race, to apostatize from faith, duty, and self-respect. Any one who ventured to recommend such progress backward would be accounted a heathen and a publican, and justly. If our theory and practice must be off the line of truth on one side or the other (as they are always sure to be, more or less), it is vastly better, on grounds both of morals and of policy, to set human life too high than to place it too low. Nevertheless, one may be permitted to inquire whether the pendulum of public

opinion, in deflecting from the old indifference to life, has not swung too far the other way, though the inquiry cannot pretend to be a very practical one or to aim at immediate concrete results. Not many years ago there was a movement in England toward what was called Euthanasia. Its object was the legal removal of incurable invalids, whose continued existence on earth could be nothing but a burden to themselves and their families. All precautions were to be taken against possible abuses; the patient's desire was to be clearly expressed and certified by a magistrate, and then his sufferings were to be painlessly ended by specified means at the hands of a competent and authorized physician. The effort failed, of course, though it was prompted by the purest motives. The arguments in its favor were strong: they were met by arguments that seemed yet stronger. Some of the objections were as childish and superstitious as those urged against cremation, or marriage with a deceased wife's sister, or any other movement toward larger liberty on lines of reason. These alone might have been sufficient to defeat the measure, or delay it indefinitely, but it was killed by heavier guns than these. Philanthropic thinkers had brought it forward: other thinkers said, "You would do some good by relieving individual cases of hopeless affliction; and in so doing you would entail a vast amount of harm by lowering the standards of filial affection, compassion, and respect for age, misfortune, and the human form divine. Against physical benefit to a few, set moral injury to the wives and children of those whom they saw peacefully put to death; to the neighbors, who knew what was done; and to the whole community, who learned with horror that homicide was legalized in certain cases, but soon grew to regard its practice with indifference. For the greatest good of the greatest number, the few—or even the many—must continue to suffer till relieved by legitimate human means or by the act of God."

This appeal to considerations both wider and higher

than those of mere corporal and individual interest is safe to block the path of any movement like that of the advocates of Euthanasia. In the narrower view, the fact is to be regretted. Our forefathers, who were not troubled with our scruples, found life a much simpler than it is for us. The badly wounded after a battle or an accident could be knocked on the head: it would sometimes be the part of charity to do that now, if it were allowable. Idiots, maniacs, and incurables would be transferred from a mode of existence which they are not in condition to enjoy or adorn to one where their deficiencies will presumably be felt no longer. Monstrous and misshapen creatures could be quietly crushed at birth: it is whispered that physicians sometimes take this liberty in the general interest and for the avoidance of scandal. They deny it, of course, for it is against the law; but every good doctor would like to have a larger latitude than is allowed him. After a railway smash or an explosion, when scalded and blinded human beings, the flesh peeling from their broken bones, moaning or screaming, beg to be put out of their agony, one is obliged to say, "No; you must bear it as you can for a day or two, or a month or two, and then all will be over." They and their friends have only the consolation of Epicurus: if the pain be more than human nature can endure, its very violence will soon release the patient. Or, in Dean Alford's paraphrase,

"If sharp, 'tis short; if long, 'tis light."

In practice, sometimes the pain is long without being light, and then it may be a vehicle of fine spiritual discipline for the sufferer, if he has grace to take it so. But those who look on in helpless compassion, with minds limited to the base material view and incapable of rising to transcendental altitudes, may be pardoned for wishing that it were permissible to change woe to peace by a touch of the lancet, a drop injected into the shattered and writhing frame. Why preserve so carefully the marred and quivering rem-

nant of a life from which all use and comfort have departed? Simply because custom and tradition require it; or, at bottom, because it is not safe to tamper with the finer feelings, to take any step that might impair the prevalent, though possibly exaggerated, reverence for the sanctity of human life.

The case of criminals is more open to discussion, for everybody knows that with us, as a rule, they get much too light measure. It has been said that "the worst use you can put a man to is to hang him," but that depends upon the man. If one has no good works to show, he should be restrained from bad ones. If he carries on business at the expense of the community, his firm should be dissolved. True, the noose or the electric chair is a melancholy last resort, but it may serve to prevent its subjects from putting themselves, and others too, to yet worse uses. The objection to life-imprisonment is not merely that its deterrent power is inadequate, and that in many cases the punishment does not match the offence, but that there is no such thing—not to rely upon, while governors can pardon and convicts can escape.

Two points of view are here in somewhat sharp collision. The rough common sense of our more thinly settled communities is not at all in harmony with the finespun humanitarianism of the doctrinaire philanthropists. Lynching used to be justified in Iowa, on grounds at once of justice and of economy. It is idle to urge the mob or the vigilance committee to respect the forms of laws; not possessing the legal mind, they care little for forms which do not attain their end. It would be still more idle to ask them to respect the sanctity of life, especially in regions where human beasts of whatever color prowl the woods, ready to murder any man for a few dollars, or to knock down and drag into the bushes any woman who passes. The lynchers would laugh at the idea of anything sacred about these brutal destroyers, whom they hold no better than mad dogs. In fact, the sanctity originally investing

each human life must be held to be forfeited in such as have shown no regard for it in their fellow creatures. If reciprocity be the basis of all obligation, then the right to continued existence on earth lapses in those who take life without warrant or excuse.

The changes of mere theoretical thinking are illustrated by the apparent prevalence in select and pretentious circles of a notion that individual life is the most sacred and precious of all interests. That is not so at all; at least, it is true only of purely visible and concrete interests. Said the president of a rural bank to his cashier, "If burglars meet you in the night and tell you to open the safe or they will blow your brains out, *open it!* We don't expect you to set the funds above your life." Yet even this rule is constantly modified, for in practice there is no sharp separation of the concrete from the abstract. When the cashier refuses to open the safe, when the engineer goes down with his engine, it is duty that he dies for, not merely other people's property. Mere filthy lucre becomes sacred when it is not a possession but a trust. There are countless interests beside which life sinks in the balance—truth, honor, faith, loyalty, family affection, the public welfare. As Whittier put it,

"When faith is lost, when honor dies,
The man is dead."

A man who is a man knows this, and would rather die in the body than in the spirit. When one does not know it, but is dead to all nobler principles and impulses, he might as well be dead altogether. The capability of self-sacrifice is the worthiest thing in man: the doctrine that life is to be preserved at any cost would be the death of morality and religion, and so before long of all civilized society. By common consent the martyrs are at the top of the scale and the murderers at its foot; we carry out the same idea in honoring the one class and executing the other.

It must be owned that the spread of economic and evolutionist thinking, and not merely among the highly

educated, is doing much to imperil that generous reverence for the sanctity of life which among our fathers was the correct mental attitude. Whether we formulate our thoughts or not, we all know that the struggle for existence has taken the place that was occupied of old by war, pestilence, and misgovernment. "Be fruitful and multiply and replenish the earth" was very well at the beginning, and may still do in a new country, but not in Europe or along the North Atlantic coast. Competition increases with population: it is not only in politics that there are "not places enough to go around." The successful find a congenial creed in the survival of the fittest; the failures betake themselves to the back streets and to "musing full felly in their sullen mind." All this being so, it is no longer easy to preserve an unreasoning compassion for the man who tries to rear a dozen children on a dollar a day, or to feel that the fitness of things is violated when the undertaker is called in annually. A theatre poster represents a crippled and consumptive newsboy in conference with a lusty tough, who says to him with an air of mingled rebuke and counsel, "Git off de earth!" It was unbrotherly, it was probably brutal; yet if we could eliminate the personal element, it may have been sound advice. What shall one who has neither physical nor mental force do on this overloaded planet, where so many who are better endowed can scarcely find a market and make ends meet?

Thus, amid the increasing multiplicity of modern cares, does the sanctity of human life threaten to become less and less sacred. Perhaps before the advance of science it will disappear in time, as did the divinity that once hedged a king before the march of liberty. So far as now appears, the doctrine will have to be modified. Let us compromise, and say that useful and innocent lives shall be held sacred, pernicious and worthless lives—well, less so. Perhaps in time we shall abolish crime and pauperism, and then the problem will be simplified. At present, neither Congress nor the philosophers are quite ready to legislate. We do not

wish to have Herod come back and slaughter the babies, though it would be well if we could restrict their overproduction, as Malthus desired to do long ago. Heroic remedies, in the way of prevention, have been suggested, but these require a large limitation of personal liberty. Better uproot an evil tree in its youth than have to lop off its branches one by one when it grows old; and what we shall come to in the future, who can say? Perhaps—may the gods grant it—to an Altruria where the laws and the spirit of the citizens alike shall be both scientific and humane; where life shall not be held sacred through stretching Christian charity to its farthest bounds, but shall approve itself such to public reason as well as to private conscience, because moving under conditions which give full scope to its useful and happy energies, and yet under restraints that effectually repress “the beast and devil in the soul,” and help to keep the mind clear and the body sound. When that time comes we shall have, not perhaps new heavens and a new earth, but a state of things fully equal to that portrayed in Mr. Bellamy’s republic.

FREDERIC M. BIRD.

Some Recent Social Movements.

That social reform is the need of the day is beyond question. All thinking persons acknowledge this, and the matter is agitating society as never before. Many theories are advanced by well-meaning enthusiasts, but few of these have any practical basis. Agitators advocate schemes aiming at the entire abolition of the present social structure, and societies which are the result of such teaching are springing up everywhere. The poor and ignorant are being led away by fanatics, with the idea that their wrongs, real and imaginary, are to be remedied only by upsetting all existing social conditions.

Undoubtedly the condition of the masses is sadly in need of improvement, and all interested in the welfare of humanity should aid practical efforts to elevate the people, and thereby counteract the evil influences of unscrupulous agitators. Existing social evils should not be ignored. Duty and self-interest call upon the better-placed classes to strive for improvement in the social order. Hundreds of thousands of the poor in large cities are toiling year after year for the means to buy the bare necessities of life. Many live on the verge of starvation. Mental or physical training or recreation is out of the question. Their children are "dragged up" anyhow, and fall an easy prey to the criminal and vicious members of society. Indeed, it is to be wondered that more criminals are not recruited from the ranks of the very poor.

There seems to be a desire on the part of employers to lower the rate of wages. As long as the supply exceeds the demand in the labor market, so long is it possible to do this. Few employers trouble themselves as to whether or not the sum paid to an employee is sufficient for his wants and those of his family. Cheap labor adds to his profits. It is indeed time for the large employer of labor

to take some interest in the social condition of those who toil for him. Let him show that he does not look upon his workmen as mere machines out of which he must get all the good he can, but as fellow-beings, and let him pay a wage sufficient for their wants. A sufficiently paid man will, as a rule, serve faithfully and well. It is beyond question that almost a countless number of sober, industrious men are forced to work for wages to supply their families with the bare means of living. Necessity compels them; they know well that thousands are ready to take their places for even less than they receive, and so they go on, wearing out body and mind, and fostering bitter thoughts against the employer of labor. A change so great as to be marvelous as a miracle might be wrought by employers of labor and those in high places by winning the hearts of the poor. Emerson truly says, "If we let our affection flow out to our fellows, it would operate in a day the greatest of all revolutions." By endeavoring to do this, and by providing facilities for self help, the wealthy might largely influence the masses, and the organized schemes in opposition to capital would be fewer and less frequent.

All who recognize the pressing need of action to bring about social reform should know of and aid the work which Dr. Stanton Coit has undertaken in the crowded tenement districts of New York City in connection with the University Settlement Society. With the idea that "the organization of the intellectual and moral life of the people is the crying need of our day," Dr. Coit has commenced operations in the crowded Tenth Ward, offering the public, not a "beautiful theory," but a scheme of social reform which is the outcome of experience; for he has spent his life chiefly in acquiring knowledge and experience of social difficulties. Born in Ohio, he was graduated at Amherst, where he acted as tutor for a short time. He went from Amherst to Germany, and entered the University of Berlin. Here he was made Doctor of Philosophy, and studied religious and

social questions mainly under the direction of Prof. Von Gysekie. From Berlin he went to London, and took up his residence with the English University Settlement Society at Toynbee Hall, which is situated in the heart of East London, where most of the very poor of that great metropolis live. He studied here the conditions and needs of the masses until such time as Prof. Felix Adler, of the Society of Ethical Culture, asked him to be his assistant. In Prof. Adler's absence he took his place as lecturer in New York, and also took part in the instruction of classes in ethics. On Prof. Adler's return to New York, Dr. Coit went back to London, and founded there the first Neighborhood Guild at Kentish Town, where much is being done to elevate the people. Dr. Coit has recently accepted the charge of the work of the New York University Settlement Society, and new life has been infused into the movement with his engagement.

THE NEIGHBORHOOD GUILD MOVEMENT.

Taking up his residence in Forsyth Street, the centre of the east side tenement district, Dr. Coit commenced his work by striving to win the confidence of the poor of the district and by awakening them to the necessity of moral, mental, and physical training. "Whatever be the nature of the fundamental changes ultimately to be made in land-tenure, in taxation, and in the private ownership of the instruments of production," says Dr. Coit, "there must be a preliminary enlightenment of the great mass of the people in economic and social principles and aims, and a corresponding enthusiasm or disposition to bring about a juster order of life." And to accomplish this, Dr. Coit has set himself the task of organizing the intellectual life of the people of the tenement districts of New York City. His first step was to establish the Neighborhood Guild at 26 Delancy Street. This building, which was formerly a large tenement house, he has turned into a college for the mental, moral, physical, and industrial training of the

people of the Tenth Ward. The college is called Lafayette Hall. It contains numerous educational and recreative facilities, including class-rooms where instruction is given in drawing, engraving, history, designing, bookkeeping, stenography, dressmaking, cooking, etc.; a library; a reading-room for adults; clubs for men and women, boys and girls; gymnasiums for the two sexes; a sewing club; an improvement society; a dramatic society; a mothers' club. Lectures on social subjects are given every evening by Dr. Coit or one of his assistants, and a free concert weekly. Although but a short time established, Lafayette Hall is a power for good. The building, however, is inadequate for the work, and a large building, complete with facilities, has become necessary, and will be erected at the corner of Delancy and Forsyth Streets. Plans have been prepared by Mr. Raleigh C. Gildersleeve, one of the Settlement workers. The proposed building will contain dormitories for teachers and students of sociology, school-rooms, club-rooms, lecture-halls, gymnasiums, etc.

One of the important features of the Neighborhood Guild is the Tenth Ward Social Reform Club. The club is neither a political nor a religious organization. Its members are simply pledged to work for the establishment in the Tenth Ward of co-operative stores, where the necessities of life can be had at cost price; public kitchens, where food for families can be cooked; a sick-benefit society on a sound basis; a public bath-house containing swimming baths for men and women and private bath-rooms; public lavatories; a park and children's playground; a people's palace (having libraries and reading-rooms, smoking-parlors, billiard and pool rooms, a theatre, a dancing-hall, etc.). Committees have been appointed to inquire into the condition of labor, the hours of work, wages, and sanitary arrangements, also to encourage poor working-women and unskilled male laborers to organize for protection against unjust employers, to raid sweating dens, and to educate the people in domestic cleanliness.

MOVEMENT TO ESTABLISH PEOPLE'S BANKS.

All who study the ways of the very poor know that there are times when they are compelled for different reasons—sickness, want of work, or misfortune—to pawn their clothes or household goods to obtain the means for providing for immediate necessities. That they are shamefully robbed by most pawnbrokers is a fact which can be positively proved. The legal rate of interest of three per cent per month is certainly high enough; but it does not satisfy the pawnbroker, who resorts to extortion, under the excuses of “hanging up” and “taking care of” the articles pledged. For instance, a woman taking her coat or dress to a lender and obtaining a loan of, say, one dollar and fifty cents, receives a ticket calling upon her to pay one dollar and sixty-two cents in addition to the usual interest of three per cent on the dollar and the fraction of the dollar. Should she refuse to pay the extra charge of twelve cents, the article is refused, and as the system of extortion is general, she has no redress, but is at the mercy of the pawnbroker. When one bears in mind that it is a common thing for the very poor, week after week throughout the year, to pawn their clothes, it will be easy to see that the gains of the pawnbrokers of New York are enormous; and they run no risk, for they never lend more than a third of the value of any article, and are not responsible for damage done by fire, water, or moths.

To establish banks for the people where, in times of need, they can borrow money at a low rate of interest is the work before the newly organized People's Bank Association, of which body Mr. Alfred Bishop Mason, one of the trustees of the Charity Organization Society, is the originator. The members of the association, all prominent business men of the city, have been discussing the need for model pawnshops, with the result that the People's Bank Association has been formed, and its main office will be opened at an early date. The promoters are all inter-

ested in the welfare of the masses, and the scheme certainly promises to be of great benefit to toiling humanity. Steps have been taken by the organizers to raise the sum of one hundred thousand dollars for the purpose of placing the movement on a sound permanent basis. The greater part of this amount is promised, and it is hoped that the scheme will be in operation in a couple of months. Then a limited number of shares will be offered to the public, if possible at the low price of ten dollars per share, so as to give the working classes an opportunity to become interested in the movement. All shares will be issued on the understanding that not more than four per cent will ever be paid in the way of dividends. Not more than one per cent interest will be charged on loans, and, if possible, a lower rate. The pawnshops of the association, to be established in the poor quarters of the city, will lend small sums on personal property at one per cent, and will make no extra charges. Special facilities will also be given the borrowers, to enable them to redeem their things quickly. Instalments of one dollar will be received until the full amount loaned is paid, and if necessary an extension of time will be given wherein to redeem pledges. One year is the time allowed by law for the redemption of goods, when the ordinary pawnbroker sells everything not redeemed; in this way many of the poor, being unable to raise the amount of the loan, lose articles of value.

The People's Banks thus established will not be either money-making or charitable institutions, but a means of self-help for the industrious poor. Any surplus of receipts, after payment of the dividends of four per cent and running expenses will be used to extend the usefulness of the benefaction. The movement seems to be a feasible scheme for the benefit of humanity, and if successful only in saving the very poor from the extortionate practices of pawnbrokers will accomplish the object for which it was designed.

WILTON TOURNIER.

The Coming Social Condition.

Mr. Edward Bellamy has attempted to predict the general aspects of the social condition that may be expected to exist in the comparatively near future. His views, which have failed of general acceptance though they have attracted wide attention, contain an important element of truth which has been too commonly overlooked. If it is claimed that Mr. Bellamy's thought goes beyond that of his contemporaries, it must be admitted that he did not develop his thought to its logical conclusions.

He saw, indeed, the powerful tendency existing in this country toward the formation of those gigantic industrial combinations that seem destined at no distant period to absorb the entire business of manufacture, transportation, and sale. He dissented from the view that such combinations are to be regarded as an evil, considering that they brought the solution of the problem of fundamental social evils, and predicting that their organization and growth were likely to continue with vast ultimate benefit to society. So far he appears to have been essentially right. But at this point he failed to observe the radical distinction, in nature and origin, between industrial combinations and political or militant combinations. Hence he fell into the error of supposing that an unprecedented development of purely industrial combinations would logically result in a development practically unprecedented of a purely political or militant combination. Mr. Bellamy's ideal creation of a state omnipresent in purely industrial operations has indeed been already realized in essence, so far as it is practicable to realize it, in ancient communities, for instance, Egypt and Peru.

The importance of the distinction between the origin and nature of industrial and of political institutions—a distinction to which Mr. Herbert Spencer has done so much

to call attention and to emphasize—can hardly be exaggerated. History shows that all political governments, certainly all that have been characterized by any considerable degree of strength and centralization, have resulted from a condition of militancy or warfare. In their struggles, those tribes that were isolated succumbed and disappeared; those that combined under the form of orderly political governments were able to prevail and continue.

Political governments, then, are, generally speaking, a military necessity. What is the distinction between a state of militancy, such as has in the past given rise to political governments, and a state of industrialism, such as is now giving rise to immense industrial combinations? The distinction is radical. It is a characteristic feature of a state of militancy that each individual endeavors to secure pleasure through the medium of some one else's pain. The soldier in an enemy's country obtains food and shelter by violence, not by exchange; that is to say, to secure a certain pleasure for himself, he causes pain to another; and one community obtains lands and goods from another by violence, not by exchange. But the characteristic feature of a state of industrialism is that each individual endeavors to secure pleasure through the medium of some one else's pleasure. No longer do people habitually obtain food or shelter, or whatever else they desire, by violence, but by exchange; that is to say, to secure a certain pleasure for himself, a given individual causes some one else's pleasure. True, crimes of violence, such as robbery and murder, are sporadically committed, even in peaceful communities, but such crimes are simply militancy on a small scale.

The distinction, then, between militant activities and industrial activities is radical, as radical as the distinction between pain and pleasure, between misery and happiness, between evil and good, between sin and righteousness, between hell and heaven. This was too important a distinction for Mr. Bellamy to overlook when he predicted that

from institutions growing up under essentially industrial conditions would logically develop such an institution as has never existed, if we may trust the lessons of history, save under militant conditions.

It would be a mistake to attempt to underrate the importance of political governments. The militant necessities that gave them their origin will long cause them to continue, and the modified form of militancy known as crimes of violence will probably justify their continuance after strictly militant activities have ceased. And no attempt will be made here to lay down a definition of the proper functions of a political government. It is intended to show only that the facts of human history and human nature are not in accord with Mr. Bellamy's view that essentially industrial conditions are likely to develop an institution of essentially militant nature and origin.

As to political governments and their functions, perhaps undue importance has been attached to such governments as social factors, and they may be dismissed from consideration with the general suggestion that their functions seem likely to become of steadily diminishing importance.

Mr. Bellamy is doubtless right in thinking that the present powerful tendency toward the formation of gigantic industrial combinations is likely to continue until it reaches its logical result. But what, in general, will be the good, and what the evil, consequent upon such a condition? Of course production will necessarily be on an enormous scale. Expensive machinery and methods impracticable for the purposes of production on any scale less than colossal, will be commonly employed. The cost of the production of the necessities of life will be reduced to a minimum incredibly small, viewed from our standpoint. But production on so colossal a scale will involve consumption on a scale equally colossal; in other words, there must be a large body of consumers. This means that the mass of the people will be able and willing to buy

and pay for what is produced. And, as the mass of the people will probably, then as now, consist of what are known as the laboring or wage-earning classes, it follows that wages generally will be comparatively high.

The only consequential drawback will be the exaggerated danger of extortionately high prices being charged by the monopolies that it is assumed will then exist. But sale at high prices to a comparatively limited class of customers will be absolutely inconsistent with the then existing modes of production by means of expensive and colossal plants. Such modes of production will absolutely require, as a condition of success, large sales and small profits. Still, it may be admitted that perhaps, for a time, until business is adjusted to the new conditions, there will be instances of overcharging by monopolist producers. Such a case will require the application of an already existing remedy—the fixing of a maximum price by means of a governmental commission.

These, it would seem, are to be the general aspects of the social conditions that will exist in this country in the not distant future, and in the working out of these conditions the difficult social problems of the day will find their solution. The problem of the condition of the mass of wage-workers will gradually disappear. Production on an enormous scale, with inventive processes highly developed, will cause the necessities of life to be procured so cheaply and abundantly that few will undeservedly suffer material want. The problem of governmental and particularly of municipal corruption, and that of civil service, will gradually disappear. Such functions as those, for instance, of supplying large communities with water, sewerage, etc., will eventually be performed by industrial concerns working on a colossal scale. Indeed, the tendency toward the transfer of functions hitherto performed by municipalities to purely industrial concerns is already notably strong.

These illustrations will suffice, though others readily suggest themselves to the discerning reader. The import-

ant thing is to discern the radical, fundamental characteristics of the condition depicted. Much confusion has resulted, in the discussion of purely industrial questions, from the importation of terms and conceptions derived from purely militant conditions; nor is this unnatural, considering the length of time during which the masses of mankind have existed under essentially militant conditions. This confusion of thought is strikingly manifested in the attitude of the public mind toward the large industrial combinations so rapidly coming into being. Such combinations are absolutely impossible in a militant condition of society; they require an essentially industrial condition. Their existence implies that such a condition has attained some degree of permanency and is likely to continue. An industrial condition is a condition wherein people in general secure pleasure by means of some one else's pleasure, that is, by exchange. It is essentially a condition of pleasure, of happiness, of good, of righteousness—a heaven on earth. A militant condition is a condition wherein people in general secure pleasure by means of some one else's pain, that is, by violence. It is essentially a condition of pain, of misery, of evil, of sin—a hell on earth. Yet in current discussion of the nature and effect of these large industrial combinations, which arise out of and point forward to essentially industrial conditions, it is too commonly assumed that their growth tends to produce pain, and misery, and evil, and sin. Surely, those who make such assertions would do well to look into the radical distinction between industrial or pleasure-producing activities and militant or pain-producing activities.

What a given individual or a given community will be is the inevitable logical result of what that individual or that community has been and is. What will be the coming social condition is indicated by what it has been and is.

FREDERICK H. COOKE.

Labor's Claims on Organized Christianity.

To avoid misunderstanding, let it be understood at the outset that this article does not propose to deal with Christianity in the abstract, or to discuss the truth or falsity of its evidences or its doctrines. It aims to ascertain, not whether certain things that are taught are true, but whether persons are true, that is, whether their practice squares with their profession; for it is very largely those who profess Christianity who control the making of the environment in which labor sleeps and wakes, works and rests.

Let us begin with asking what are those prominent aspects of religion bearing upon its relations to labor which organized Christianity professes to believe. We find it professing belief in a standard of division of time into one day for divine worship and six days for human activity. We find it professing adherence to a moral code in which there are ten commandments, three of them relating to the object of its worship, six of them to the relations of man to man, and one of them to relations to God and also relations to man. From these two instances of Christian belief alone it would appear that a large majority of its purposes relate to the relations of man to man. Moreover, the very name of the religion which organized Christianity professes calls to mind a great moral teacher whose life was spent in laboring and speaking in favor of a policy of mercy and justice to man as more consistent with professions of lofty religious sentiments than supercilious and pharisaical worship. This founder taught a moral system based upon the equality of tastes, desires, capacities, and enjoyment of life to be recognized by man in his fellow-man. He taught not only that those who profess to follow him should refrain from injuring their fellow-men, but that they should go out of their way to secure to their

fellow-men all things for which they themselves entertain legitimate desires.

Now, let us see what all this has to do with the workman's idea of Christianity as represented by the organizations made in its name. The workman wakes in the morning in this city to find his family huddled in one or two rooms, or in a cellar that can hardly be called a room at all. As he looks at the dingy walls around him, he thinks of the approaching day when he must pay rent for occupying them; and when he reflects that the landlord to whom he is to pay the rent is a pillar of some Christian church, or possibly some church corporation which itself holds large quantities of real estate, he must form a very queer conception of the relations between Christian profession and Christian practice. But he has no time to waste in forming conceptions: he has to go to work, and at an early hour, for his employer, generally a professing Christian, requires him to work long hours. When he gets to the factory, or the large mercantile establishment, or the wharf, or the corporation depot, and finds some new exaction imposed upon him over night, if he meets with his fellow-workmen, organizes a union, and appoints a proxy or a lay counsel to present his grievances and complaints to his employers, the chances are that these Christian employers will deny to him that right of free speech and representation by chosen counsel which the aforesaid employers exercise and would insist on for themselves. He goes to his long day of work, and begins to create the wealth which his employers are to administer. Let us take an example of the way in which they administer it. Suppose they undertake to give the city new rapid transit facilities, professing as before an intention to serve the public. He finds, when those facilities are provided, that as many people as possible are packed into the trains, the idea being to run as few cars as possible, as each additional car means the expenditure of money for motive power, rolling stock, and labor; and the public, for whose service this improve-

ment is professedly made, are subjected to inconvenience which continually increases in proportion to the volume of traffic in order that the net profits of the corporation may increase.

What does he see those who handle the wealth he creates doing with it when they are not disposed to increase the number of their enterprises? He finds them attempting, as Thomas Carlyle puts it, to "make the amende honorable to God" by founding colleges, industrial schools, hospitals, refuges for convicts, teetotums, university settlements, and other institutions for the cure of the evils that their normal policy of selfishness has created. It must occur to him occasionally that the fact that, for lack of proper home influences at an early age, one of his children is deformed, another idiotic, another incurably vicious, illustrates the need for these benevolent institutions. When he sees the conditions under which his family is brought up, the perfectly natural fruits of those conditions, and the efforts of a misplaced if sincere generosity which are made to remove the most superficial of the surface results, he must sometimes think it would be a like absurdity to draw a rope around a baby's neck, and then try to restore its breath by manipulating a beautiful decorated fan.

A fair sample of the effects of the conditions under which New York labor is compelled to live may be found in the experience of patrons of the institutions called day nurseries. It is hardly necessary to say that these houses are provided in order that working-women may have a decent and healthful place in which to leave their children while they are away from home during the day. One of these nurseries within my knowledge finds that most of its patrons are families living in cellars; a few families live in apartments as large as two rooms; more of them live in one room. The children are almost invariably dirty when brought to the nursery, needing immediate reformation with the aid of the bath-tub, and are generally ill from in-

haling bad air. Now, it ought to be plain that the workingman has a right to expect, at least from Christian employers, sufficient wages to support his family without the earnings of his wife; for the home is the unit of society and the most important element in the education of the citizens of the future. It seldom, however, seems to occur to the Christian employer of labor that his employes have the same right that he has himself to the blessings of marriage and the comforts of a civilized home. How many mercantile establishments, for example, are there in this city where the young clerks are paid salaries large enough to make it at all prudent for them to think of marrying for many years to come? As for those employing women, like the large retail stores up town, the moral situation is a great deal worse. The average saleswoman is expected to dress stylishly on wages that can hardly buy her food. The notorious result shows how little the thought of promoting the organization of homes enters into the calculation of the large employer. One such employer not long ago gave \$10,000 to charity, while he was evading the law requiring him to have seats provided for his employes, by putting the seats behind the counters and forbidding the girls to use them during business hours.

The goods that the employes of many of these establishments handle, to say nothing of the public who are cordially invited to buy them, are largely manufactured under conditions that are a disgrace to a country calling itself Christian. In a recent lecture on the sweating system, delivered by a lady who knew from personal inspection whereof she affirmed, it was stated that possibly as much as one-half of the clothes sold ready-made at retail were made under proper sanitary conditions; that one-half of the remaining half, or one quarter of the whole, were made under bad conditions, which might be expected to result in the danger of contagion sooner or later; and that the remaining quarter of the whole were made in the actual presence of existing contagion. An instance was given of

a room in which a whole family lived, and in which neckties were made while one of the children was suffering from the worst stages of scarlet fever. In this case the usual excuse given, to wit, that most of these working people are ignorant foreigners, unused to the American standards of clean living, was not true; for the public approaches and passages leading to these rooms (which the landlord, through his representative, the janitor, was supposed to keep clean) were not so clean as the room in which the family lived.

Naturally the leaders of organized Christianity—the preachers in its pulpits—are in some degree responsible for this state of affairs. Now, how are they prepared for the task of impressing upon the rich people in their congregations their duty toward their fellow-men? Clergymen are generally instructed in mediæval theology and technical questions of ritual or church government, and told that secular questions are better left to the press. And yet that great moral teacher in whose name they all profess to speak was in the habit of relieving physical wants first. He not only taught the directest and most uncompromising principles of consideration for the natural demands and desires of one's fellow-men, but he healed the sick and the lame before attempting to introduce the claims of the religion which it was his mission to found. He went about doing good, while a painfully large number of his salaried apostles of the present day seem to proceed upon the theory tersely stated by one of George Eliot's characters, that there are two heavens for the rich man, and two hells and one heaven for the poor man. While he taught the brotherhood of man, not only the teachings of his expositors, but the practical life of many of his lay professors for six days in the week, appear to be based upon the idea that, if all men are brothers, most men are very bad brothers, who must be sent to the second table or to the kitchen, or allowed to receive food handed to them over the fence. It is charitable to suppose that the followers follow in this

direction because the leaders lead. It is charitable, but it is not always true. When the pulpit does undertake to condemn these glaring inconsistencies between what its hearers say on Sunday and what they do on the other six days of the week, some human pillar of the church frowns, and threatens to pull himself out, figuratively speaking, and make the structure collapse.

This may explain why the people do not come to church. Since the church does so little for them on six days of the week, notwithstanding its profession of principles which, by irresistible logic, require that every man should be able to make for himself a home and have time to enjoy it rationally, how can the uninstructed workingman be reasonably expected to believe that, on the one remaining day of the seven, it has any real power to affect his condition in the misty region beyond the grave?

In a word, it is the ordinary life of the workingman, both in his home and his family and in his place of employment, with which organized Christianity must concern itself, if it is to make a deep and lasting impression upon him; and not merely the extraordinary needs of the classes belonging to the United States census category of "defective, dependent, and delinquent." It is vain to expect that ostentatious provision for the extraordinary cases of suffering humanity will compensate for neglect of the ordinary conditions of the great masses. No prophet before or since the founder of Christianity has so vigorously arraigned as did he what the author of "Hudibras" describes as

Compounding sins we are inclined to
By damning those we have no mind to,

or, in a larger sense, compounding for agreeable neglect by superficial tributes of attention to the neglected. Were he on the earth to-day, none would be more severe than he against the cruel and hypocritical irony of the fact that bad tenements contribute to the revenue of at least one prominent hospital that bears the name of a religious denomina-

tion, and of one rich parish whose pastor thinks the pulpit should not concern itself with worldly issues.

Even a plain workingman who reads Christ's recorded words can understand from them, so perfectly clear does he make it, that he demands that the whole life of his followers shall be lived in the same spirit of fraternity toward mankind; and that whosoever is willing to offend in one point of this code is guilty of all. Now, it is plain also that the attainment of this spirit cannot be realized by the reform of this or that specific evil. It is very easy to say that if all merchants and manufacturers were to pay their employes the wages required to enable them to live respectable and comfortable lives as the heads of refined families—such lives, in short, as the employers prefer for themselves and their own families—the golden rule would be applied to the wage question. It is equally easy to speculate about the results that would follow the universal tearing down of rickety and unhealthy hovels or tenements, and the building for the humblest tenants of substantial, commodious, and wholesome model houses. But how is this beneficent result to be brought about, and how can the church aid? For to the church labor has a right to look for help. In past ages, the church stood for the rights of free labor and free speech. And because the church of to-day seems to forget that it is still her duty to labor for the advance of civilization and for the elevation of the standard of living which is within the reach of the people, the people who are not church-goers are now an almost countless multitude.

But what, it may be asked, is the church to do? It cannot all at once change the minds and the hearts of its rich landlords and employers of labor, and if it could, they might go to the wall as the result of competition. Suppose all the Christian real-estate owners in New York were to give orders to-morrow that their tenements should be remodeled or rebuilt and managed like those of the Tenement House Building Company or of Miss Margaret Collins.

What guarantee is there that they would not be ruined by the competition of other landlords? Suppose all the Christian manufacturers and merchants were to revise their pay-rolls, and pay all their employes, male and female, wages enough to enable them to marry, how soon would their competitors ruin them by underselling them? Wages, which depend on the standard of living of the wage-receivers, are not to be arbitrarily pushed up by a Christian "pool" any more than prices are to be "pegged up" by a capitalists' pool. It is the standard of living which the laboring man wants, rather than the present standard, with which the church is concerned.

It seems, then, that the remedy within the church's power is not one of forcible discipline, or of interference with the business concerns of rich members who employ labor and rent houses, but a policy of social education. The differences of opinion between laborer and capitalist very largely result from the fact that neither side knows and understands the merits of the other side. Such mutual knowledge is one of the first principles of success in business relations, or indeed in any of the relations of life. And generally we find much more good in a man when we know him than we would have suspected when he was unknown to us.

Now it is just here, in this work of making acquainted with each other landlord and tenant, employer and employe, that the church can do good work. There should be conducted by every church a lecture club, open for debate after each lecture, for the discussion of the practical questions of social economics. Workingmen would come to such meetings—experience has shown that they do come to such meetings—because they realize, when brought face to face with a really earnest minister of the gospel, that he is seeking their good. They generally suspect such enterprises if started by interested bodies, like the American Protective Tariff League or the Free Trade Reform Club. In fact, laboring men attend the economic side-shows of

the churches very much better than the capitalists do. I know there are plenty of Christians, both ministers and laymen, who think and say that ministers should let such questions alone. They said so in France over one hundred years ago, and the result was that the masses let religion alone. They might not even let it alone next time. And if the workingmen of the great cities realize that the church is seeking to raise their standard of living, it will make very little difference in the long run whether or not the capitalists come to the economic lyceums. Churches supported by the working people rather than by the capitalists will enable timid pulpits to "cry aloud and spare not," without fear that the golden pillar, when he takes himself out, will pull the church down. And as for the objection that the church's mission is to deal with eternity, and not with what the old hymn calls "the things of time and sense,"—well, experience shows that preaching at people who are absent is not so effective, even with a view to eternity, as preaching to attentive listeners.

If the church would continue to be a power for religion, morality, and civilization it must identify itself with the industrial and social advancement of the laboring masses. For the social life of the people is the material out of which civilization is made, and is the only soil in which the tree of religion and morality can ever grow.

KEMPER BOCK.

Among the Magazines.

—As the title indicates, "Suicides and Modern Civilization," by Frederick L. Hoffman in the May *Arena*, is an arraignment of modern civilization. In accordance with what would seem to have become a tacit agreement that any argument thus supported shall be accepted, the author presents statistical tables to prove the positions he assumes.

In the plain but impressive language of statistics, he says, we have here before us a picture of the darkest side of modern life. . . . Something must be radically wrong in a society where thousands are compelled to put an end to their own existence. . . . It is not civilization, but the want of it, that is the cause of such conditions.

The truth is, statistics can seldom offer conclusive evidence in the discussion of any social question, especially when it has a psychological side. In such a case the addition of columns of figures will not give the true sum total; there are relations, causes, influences, not to be thus crudely considered, that are the determining factors. It is to civilization, and to an advanced and advancing civilization, that the increase of suicides is due. In the lowest forms of animal life—acalephs and mollusks—is life, but no consciousness of life, no sensation; only a formless, shapeless mass persistently permeated with a life that it is almost impossible to destroy. At the other extreme is human life, with the vital principle concentrated and intensified indeed, yet dependent upon the variations of sensation, upon the nice balance of pain and pleasure. All pain endured blots out some part of life; any pain, prolonged and intense enough, destroys it. When, in any life, pleasure, in whatsoever degree, surpasses pain, just to that degree is that life happy. In the lower types of humanity the only pleasures known are those that appeal to the physical senses, and these are comparatively easy of attainment. Mere physical life is the one precious, all-

embracing possession, and is not voluntarily surrendered. With the advance of civilization these conditions change. Mental and moral wants must be satisfied, the intellect and the affections must be ministered to, and the individual must be adjusted to his social environment. Physical life is no longer the most precious of possessions; there are other things all men hold dearer. There must be still the balance of pain and pleasure, though the capacity for both has grown, and in the struggle of this transitional period,—for we are in a transition stage, exchanging accepted traditions for scientific truths that may be demonstrated and proven,—when pain, by sudden pang or long-borne agony, surpasses pleasure, life is laid down.

The cause of the increase of suicide, concludes Mr. Hoffman,

is the diseased notion of modern life that material advancement and prosperity are the end, the aim, the purpose of human life.

The prevalence of suicide is due, indeed, to the intensity of the life of the period, but not to any specific manifestation of this intensity, like the struggle for material prosperity. This struggle is a thing inevitable. The material must be conquered before a higher plane of existence can be reached. This is the task that now confronts the race, and whether clearly seen or dimly apprehended, it is the cause of the intensity of purpose and endeavor that marks the age. As this intensity increases, so must the surrender of physical life increase until man has made himself master of material forces. This will be done by the substitution of swift and deft machinery for all manual labor and the consequent shortening of the hours and lightening of the toil of labor until all work will become congenial occupation; by colossal combinations of capital to operate this machinery and reduce to minimum cost all physical necessities; by the universal diffusion of economic knowledge and resultant unerring and immediate settlement of all national questions. Life then, enriched with

leisure and health, resting on a broad and sure foundation, with infinite possibilities bright against an ever-widening horizon, will again become a precious possession, not voluntarily surrendered.

—THAT Japan too is passing into the period of stress and struggle is shown conclusively by Lafcadio Hearn's article in the May *Atlantic* on "The Japanese Smile."

The Japanese, he says, are not very serious . . . and in the same proportion that they are less serious they are more happy; they still perhaps remain the happiest people in the civilized world.

We learn, as we follow the author in his delicate and discriminating analysis of this national characteristic, that the smile of the Japanese is not always the expression of placid content. Still, whatever its ethical or moral element, its source is shown by the very fact of its fading at the touch of our sterner civilization. "Japan," says Mr. Hearn, who speaks with the authority of intimate knowledge,

will certainly one day look back . . . and wonder at many things. Perhaps she will wonder most of all at the faces of the ancient gods, because their smile was once the likeness of her own.

—THE *North American Review*, in "Immortality and Agnosticism," written jointly by Elizabeth Stuart Phelps and John Burroughs, essays to carry inquiry beyond this world's horizon. The one, with the "passionate beliefs of youth" irradiating the "quiet faith of middle life," the other allowing neither faith nor passion to swerve his steadfast reason, both earnest and sincere, express their convictions of immortality from antipodal standpoints. The first author thus presents her belief: "If God is good, if the soul is personally immortal, and both of these conditions are here assumed,"—O beautiful winged Faith, thy exultant pinions bear thee swiftly over infinite heights and depths unfathomable while Science is sounding the one and calculating the other!—

then the future life will atone for the errors and miseries of this. . . . Individual immortality presupposes personal character, desires, demands. The goodness of God is under awful and glorious bonds to provide for them.

It is difficult for a woman to keep quite apart human sympathy and impersonal scientific consideration; her heart, instead of her head, is swift to answer such questions:

Is life to be blighted, hope to be wasted, the home to be devastated, hearts to be broken, souls to be shriveled?

Calmly replies Mr. Burroughs, whose conception of immortality does not touch upon the individual:

Feeling, emotion, fall helpless before the revelations of science. Magnitude, perspective, order, system, connection, is what the light of science reveals to us. . . . The universe is going its own way, with no thought of us; to keep in its currents is our life, to cross them is our death.

Why is it that neither science nor imagination can solve the question? Surely it is not a mystery sealed from the finite mind, for no other question so sharply affects every human destiny; nor is it perhaps that inquiry, fervid or impassionate, is presumptuous, but that the time has not yet come. We must first reach a higher plane of development, we must make broader and surer the foundations of national and social life, must learn to minister by less exhausting and less continued toil to our physical necessities, and so give leisure and opportunity to the intellect and the spirit. This world must be conquered before the gates of another will open; it is not, perhaps, that its secrets are sealed, but that we having eyes see not and having ears hear not.

—In the *Nineteenth Century* for May, Hon. John W. Fortescue, in an article entitled "The Influence of Climate on Race," discusses various economic questions with somewhat unsatisfactory and disheartening result. He is forced to the reluctant conclusion that "the white man has his climatic limits," and that therefore the employment of cheap colored labor is the one solution of the labor problem in Australia.

We know, he says, what the tendency of modern civilization is. M. Le-roy Beaulieu has summed it up in a terse sentence: "Everyone praises manual labor, and no one cares to do it." If everybody is to enjoy a high standard of comfort and not to do too much work for the same, the object can be obtained by the employment of servile labor.

He acknowledges and deprecates as inevitable the results that must follow the importation of an inferior race,—physical and mental deterioration of the superior race and complications "incomparably more formidable in Australia than in the United States," and with a sorrowful conviction that he has proved his premises concludes, "Surely we should be wise to remember that there are such factors as climate and Asiatic competition." But how if the factor of climate has been greatly overestimated and if that of Asiatic competition be eliminated? For thus should the problem be solved. It is true that climate to some degree influences characteristics, mental and physical; but it cannot radically affect a racial standard; it can oppose no serious obstacle to a dominant, developed race. It is claimed that a frigid climate and a barren soil will have the ultimate effect of making a race energetic, vigorous, resourceful; and that under sunny skies and on fruitful soil must dwell a people beauty-loving, fine-fibred, rich because nature is bountiful, happy because nature smiles. Yet these claims are disproved by the fact that Esquimaux and Patagonians at one extreme, and Africans and Mexicans at the other, are hardly advanced beyond the animal type. Civilization of course moves in the line of the least resistance, but an intelligent race, if the necessity exists, will dominate any extreme of climate. To achieve this domination, however, they must use, not the crude methods of barbarism, but the perfected methods of civilization. It is not servile labor that our own South or Australia needs, but intelligent labor and machinery. Primitive wants may be supplied by primitive means; but the diversified wants of our age must have methods swifter and more productive.

FREE LANCE.

Editorial Crucible.

Correspondence on all economic and political topics is invited, but all communications, whether conveying facts, expressing opinions or asking questions, either for private use or for publication, must bear the writer's full name and address. And when answers are desired other than through the magazine, or manuscripts returned, communications must be accompanied by requisite return postage.

The editors are responsible only for the opinions expressed in unsigned articles. While offering the freest opportunity for intelligent discussion and cordially inviting expression of well-digested opinions, however new and novel, they reserve the right to criticise freely all views presented in signed articles, whether invited or not.

THE ADOPTION of an eight-hour law by the English Parliament, with the endorsement of both Mr. Gladstone and Mr. Balfour, is very significant at this time, in view of the International Miners' Congress now being held in Belgium. It will necessarily exercise a stimulating influence upon the delegates and greatly advance the eight-hour movement throughout the Continent. It is now in order for the *Evening Post* and other pro-English journals to revise their position, and forthwith aid instead of trying to hinder the eight-hour movement in America, because not to do so now is to be unEnglish.

IT IS PLEASING to know that the calamitous string of bankruptcies has partially at least gratified Mr. Cleveland's desire to give the country an object-lesson in financiering, and that we are to expect an extra session of Congress to be called for the first of August. Perhaps August weather in Washington will not be the most conducive to calm deliberation and patient attention to details, but it may have the effect of making congressmen so anxious to get away that they will the more readily pass the financial measure the administration will have all ready prepared for them

when they meet. By this means Mr. Cleveland may be the better able to get his own financial policy put into law.

ADVICES FROM HONOLULU are confirming our position that Hawaii is socially, industrially, and politically unfit to become a part of this republic. It is gradually coming to light that the object of the planters and white capitalists, about which so much has been said, is really to have the advantage of the political institutions of America while perpetuating the industrial conditions of Asia and mediæval Europe. This should not be permitted. If capitalists who want to use slave labor are compelled to depend upon slave civilization for their market and their political institutions, it will soon become apparent that slavery is dearer than civilization, and that it pays capital better to use dear men and good machinery than to rely upon slave and hand methods as a means of effective competition.

IN THE OPENING article of this issue we have endeavored to discuss the silver question from an economic standpoint and at the same time with a view to practical legislation. We have attempted, not to draft a bill, but rather to furnish the material for drafting a bill; nor have we gone into the minute details regarding the amount of marginal security that would be needed to guard against overvalued currency in circulation through possible depreciation in the value of silver. This experience would easily determine, and past experience would furnish a good basis to commence with. The chief point, which is perfectly feasible and could be incorporated into a bill to supersede the Sherman Act, is to provide for the free use of both metals, and, by a graded charge for issuing currency, at once to secure the government against loss and the community against the evil effects of overvaluation. If the principle is sound it furnishes a basis for a strictly scientific and speedy solution of the money question, and removes from politics a great source of national disturbance.

THE FAIRCHILD COMMISSION is carrying a search-light through the Custom House to find reasons for removing those appointed by the last administration under the civil service rules, and a prominent New York Democratic journal informs us that

it has come to the ears of the commissioners that certain high officials do not hesitate to float through the up-town hotels and cafés more or less stupid from liquor. If this charge can be proved to the satisfaction of the Commission, the heads of the offenders will be snapped off by Senator Carlisle in a jiffy.

That is right. Drunkards should be disqualified for public service; but the rule ought to apply all along the line. It is surely not less important for cabinet officers than for box-openers at the Custom House. The administration will find themselves sustained by public opinion in the free use of this moral broom, if it is only used as rigidly at Washington as on the wharves of New York City. If the task is too delicate for Mr. Carlisle, let Mr. Cleveland handle the broom for a moment.

IN A REMARKABLY kaleidoscopic editorial the New York *Commercial Bulletin* makes this wholesome and encouraging confession :

Often it happens that employers would be glad to pay higher wages, but cannot do so because they would be crushed in competition with other producers who pay lower wages or employ machinery more extensively.

This is an excellent beginning. If the *Bulletin* will continue to brush away the *laissez faire* and Atkinsonian cobwebs, it will soon find itself in a rapidly clearing atmosphere. With the rising of the doctrinaire fog it will easily see that this is exactly the position which America sustains to England and other low-wage, machine-using countries, and that to the extent that their machinery is as good as ours and their wages lower is protection indispensable to the preservation of our industries; that in advocating free trade it is but asking for what would compel American producers either to reduce wages or to surrender their industry to lower-wage-paying competitors. It would realize the economic importance of making the equivalent

of home wages the basis of foreign competition in our home market.

THE PHILADELPHIA TIMES, like the New York *Evening Post*, has become very much alarmed lest the workingmen have too much social opportunity, and says:

By the time we get the hours of labor limited to eight hours a day for five and a half days in the week, with a whole holiday every week or two and a general vacation in the summer, we shall have approached that state of felicity when we can all live without working, or at least the few that do work will pay for those who don't.

And *The Bulletin*, organ of the Iron and Steel Manufacturers' Association, quotes this with the remark: "The multiplication of holidays is the work of demagogues;" and yet Mr. Swank and his ironmasters wonder why workingmen lose faith in protection. So long as *The Bulletin* continues to oppose short hours and holidays for laborers, it may expect workingmen to turn a deaf ear to its appeal for their support to protection to iron manufacturers. Workingmen ought not to be expected to have faith in the friendship of those who would perpetuate their long work-day and curtail their holidays. Oh, no, Brother Swank; American laborers are too intelligent now to be misled by any such heads-I-win-and-tails-you-lose friendship as that.

THE IDEA that cost of production is after all the controlling influence in price is gradually making its way despite *a priori* reasoning to the contrary. In its issue of May 20 *Bradstreet's* devotes four and a half pages to the discussion of the influence of bad roads upon the price of farms and products. Its generalizations are based upon replies from a thousand merchants, marketmen, farmers, editors, etc., in three hundred and thirteen cities and towns of twenty-eight States east of the Rocky Mountains. According to the data received, poor roads everywhere increase the price of products and diminish the value of farms. This fact may be a little awkward for supply and demand theorists, but it might have been predicted by any eco-

conomic student recognizing the principle that cost of production governs prices. Bad roads make it cost more to get products to the market, and hence deteriorate the value of farms by making the cost of working them so great as to preclude the possibility of much profit. Goods roads being necessary to the economic use of land, the cost of the good roads is a part of the cost of using the land, and therefore increases its value and at the same time cheapens the price of what the land yields. So that, like all other improvements in the cost of production, good roads are cheaper for the community than bad roads.

THE NEW YORK *Sun* is doubtless the brightest paper in America, but its rays are becoming very uncertain. Its changes of attitude on public men and measures are so sudden and so frequent that it is difficult to keep track of them. By the time one has learned to praise a man or support a measure through the *Sun's* advice, it is around on the other side. For years it opposed Cleveland as a shallow self-worshipper and occasionally accused him of worse things; then, without the slightest notification, it began to praise him as a shrewd, cool-headed statesman. A few months ago it was berating free trade and free traders: now it is clamoring for the complete abolition of protection. On May 5 it denounced the New York Central's attempt to run a train to Chicago in nineteen hours as a "reckless, ill-advised, senseless piece of braggadocio," exclaiming:

It is not only that the train can be run only at a loss, not only that it is a gratuitous slap in the face to the other trunk lines, not only that it will demoralize the train service of the whole system, but that it is trifling with human life.

By May 12 it had faced about, and characterized the performance of Engine 999 as "a glorious achievement," saying:

As we long to see the trotter bring the mile record from 2.04 to the even two minutes, this Engine 999 has filled us with a burning desire to see this mile mark put at just thirty seconds. We shall not have long to wait.

THE ENGLISH PARLIAMENT has just demonstrated what workingmen can do by persistently insisting upon having what they want. There is no country in the world where the tenets of political economy are more rigidly accepted by public men and none where the doctrines are more uncompromisingly opposed to labor legislation than in England, and yet nowhere outside of Massachusetts has so much advanced labor legislation been adopted. A few years ago English miners began to demand an eight-hour law. Both Lord Salisbury and Mr. Gladstone declared against it, as did also the leaders of both parties. But the miners closed up the ranks of their organizations and elected four or five members to Parliament in the last general election, with the result that on May 3 an Eight Hour Bill for miners passed the House of Commons with a majority of seventy-eight, Mr. Gladstone, Mr. Balfour, Lord Randolph Churchill, and Sir Charles Dilke all making speeches in its support. Even John Morley refrained from voting against it, while Mr. Gladstone assured the workingmen through the House that a majority of the Cabinet would vote for the bill. In its leading editorial the following day the *London Daily Chronicle* says:

The Eight-Hour Bill for miners has been carried by a majority of seventy-eight in the last Parliament. A short year ago it was defeated by a majority of one hundred and ten. We doubt whether the whole history of Parliament contains so dramatic an incident of the growth of opinion. The bill is not the creation of party controversy; it has not up to the present been patronized by the leaders of either of the two great parties; it has been vehemently and continuously opposed by conspicuous chieftains like Lord Salisbury, Mr. Balfour, and above all, Mr. John Morley; it has been beaten over and over again in the House of Commons. Yesterday it was accepted in principle by the head of the government, the leader of the Liberal party, and the most powerful statesmen of the age. It was forcibly supported by the ablest of the younger Tory statesmen, it commanded the votes of a great majority of the members of the Cabinet and the administration who have seats in the Lower House, and it was voted by every Irish Nationalist present in the Commons.

Book Reviews.

The Question of Silver. By LOUIS R. EHRLICH. G. P. Putnam's Sons, New York and London. 1892. pp. 110.

In a small book of 110 pages Mr. Ehrlich presents a very interesting discussion of silver and its value fluctuations in this country. He argues strongly and conclusively against free coinage of silver at 16 to 1, and, as he has no idea of any other way of using silver, is as strongly opposed to free coinage. The facts he presents are useful and opportune and the presentation is interesting.

The History and Theory of Money. By SIDNEY SHERWOOD, Ph.D. J. B. Lippincott Company, Philadelphia. 1893. pp. 413.

Mr. Sherwood's book consists of a course of twelve lectures delivered under the patronage of the auspices of the Society for the Extension of University Teaching of Philadelphia. The strong merit of the book is its faithful and not tedious presentation of the history of monetary systems and theories. The first five lectures are devoted to a presentation of the history of money in ancient and modern Europe. In the second lecture the theory and methods of coinage are explained; in the third the production of gold and silver and the fluctuations in the value of metallic money, credit money, and credit, are explained. The fifth lecture is chiefly devoted to the history of the Bank of England. In lectures 6 to 12 the author discusses the history and monetary theories in America. As a history of the evolution of monetary systems and a presentation of the theories by which the various systems have been maintained, the book is very valuable. The author is explicit, clear, and fair. This contribution to the literature of the subject consists in bringing before the reader its history rather than in throwing any intellectual light upon the monetary problem. If the book has not much originality, it is free from fanaticism and full of useful information.

Socialism and the American Spirit. By NICHOLAS PAINE GILMAN. Houghton, Mifflin & Co., Boston and New York. 1893. pp. 376.

This is by far the best book Mr. Gilman has written. Besides being true to its title, it has in it the real ring of progressive individualism without being cynically indifferent to the need of social reform, as are so many of the pro-individualist writers. Though accepting the doctrine of evolution, he does not blindly follow even Herbert Spencer; indeed, not the least interesting and powerful chapters of Mr. Gilman's book are those in which Mr. Spencer's arguments against free public education are analyzed. His treatment of the claims of socialism is clear, concise, and sometimes unique. But while our author echoes the American spirit as to development of the individual citizen, he is far from falling into the quagmire of mere *laissez faire*.

The People's Money. By W. L. TRENHOLM. Charles Scribner's Sons, New York. 1893. pp. 280.

This is another contribution to the discussion of the money question, and in its way one of the best that has recently appeared. While it does not contain much that is new upon the subject, it is a brief, direct, intelligent statement of the function money fills in society, the way it is made and put into circulation. As the author says in his introduction, it is written "not for the learned or for those who are versed in economic literature, but for the large number of plain people who desire to get some practical ideas of the important subjects to which it relates." It fills this purpose admirably; indeed, there are few books in which a better general idea of money, what it does and how it does it, is given. While it is not loaded with mystifying statistics, it is well charged with the important facts bearing upon the subject; for instance, on p. 131 is a brief table giving all the coin denominations,

silver and gold standard weights, and the legal and intrinsic value of each coin. On p. 201 is a very valuable table on monetary systems and approximate stocks of money, both silver and gold, in the aggregate and per capita, in all the countries in the world. In short, it is what its name implies, a book for the people. No citizen acquainted with the subject can read it without learning much; and many who think they know the subject would be the wiser for perusing its pages.

Prisoners and Paupers. By Henry M. Boies, A.M. G. P. Putnam's Sons, New York and London. 1893. pp. 318.

Mr. Boies discusses the subject of crime and pauperism with the vigor of an enthusiast. He almost raises the black flag, and makes one feel as if a little more of our present mode of development, and we should all be paupers or prisoners. It is doubtful whether the pessimistic method of everlastingly overstating vices and understating virtues tends to inspire the maximum amount of hope, courage, and incentive to reform in the community. Nor are Mr. Boies's methods of reform more encouraging. He has so entirely omitted the sociological and economic side of the subject as to commit the error of ascribing most of the crime and pauperism to intemperance and drunkenness, forgetting that drunkenness is the product of poor industrial and social conditions. He evidently labors under the delusion that possesses many temperance reformers, namely, that people drink because saloons are open, whereas saloons are open because people drink; and therefore he proposes as a remedy for drunkenness the arbitrary suppression of liquor selling. Just as if the tastes and habits of a community, which are created by its social and industrial conditions, could be arbitrarily suppressed by a mere police regulation. His remedies for crime and pauperism are all of this arbitrary character. He says:

The problem is resolved into three elementary phases, those of prevention, reformation, and extinction, the last the most important of all. . . . Preventive measures are like a net which must be dragged through the entire social stream. Reformatory treatment is confined to those only who are involved in it. The unfit, the abnormals, the sharks, the devil-fish and other monsters should not be liberated to destroy and multiply, but must be confined and secluded until they are exterminated.

Thus his program for reforming society is to close saloons, increase reformatories, and prohibit "the marriage of all those afflicted with constitutional defects." Pray, who would be permitted to marry? Such methods of treating social evils belong to the middle ages rather than to the last decade of the nineteenth century.

The Silver Situation in the United States. By F. W. Taussig, LL.B. G. P. Putnam's Sons, New York and London. 1893. pp. 133.

This is the republication of a paper published last year by the American Economic Association. It is a little volume of one hundred and thirty-three 12mo pages, devoted to the discussion of the silver question since the adoption of the Bland Act of 1878. Like everything Professor Taussig writes, it is a very careful discussion of the subject characterized by the cautiousness of a man whose views are in the making. The author devotes a whole chapter to the nature and operation of the Sherman Act of 1890; and, unlike many of our so-called statesmen who have definite views with very indefinite knowledge, he hesitates, even after thorough study of the act, to pronounce a very decided opinion upon it, saying:

It would be rash and idle to make predictions for the immediate future, and indeed this discussion of events too recent to form a complete view has been introduced chiefly by way of illustrating the complicated details of the monetary situation and the variety of conditions which affect the working of the act of 1890.

Instead of a Book. By Benj. R. Tucker. Benj. R. Tucker, New York. 1893. pp. 512.

As the author says in his preface, most people would call this a book, as it contains over five hundred closely printed 12mo pages; but Mr. Tucker repudiates this title because, as he says, a book is a symmetrical literary structure. With such definition, he was entirely right in calling this "Instead of a Book." It is a collection of various articles, mostly taken from a little paper edited by Mr. Tucker, called *Liberty*. Mr. Tucker, as the translator of Prudhon's "What is Property?" has become the recognized leader in America of intellectual anarchy, to the advocacy of which *Liberty* was devoted. Mr. Tucker's notions that government is tyranny began when he was quite a young man: He lived in Princeton, Mass., and by way of asserting his principles refused to pay his poll tax, whereupon the State of Massachusetts took possession of his person. He stayed in jail long enough to prove his martyrdom, and then paid his two dollars, under protest, of course. The principles of anarchy deny that the state has the right to coerce the individual into paying any taxes which he does not approve. It is to show that profit, rent, and interest are all robbery and that government is organized tyranny that *Liberty* was published and that "Instead of a Book" is given to the public. The views presented within its pages might appropriately be called "instead of philosophy," for philosophy or good sense or recognition of the influence of society and the necessity of order, it is not. Prudhon's trite saying, which Mr. Tucker quotes as the motto of his writings, "Liberty, not the daughter but the mother of order," announces the fallacy of his whole conception of society. Liberty is the daughter and not the mother of order, for liberty is impossible without order. Order is the first condition in progress of which liberty is the highest fruition. He who could so invert the order of social phenomena might be expected to be an anarchist and write five hundred pages "Instead of a Book."

Book Notices.

- The Railway Problem.* By A. B. Stickney. D. D. Merrill & Co., St. Paul, Minn. 1891. pp. 249.
- Studies in American History.* By Mary Sheldon Barnes and Earl Barnes. D. C. Heath & Co., New York. 1892. pp. 431.
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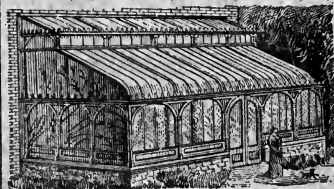
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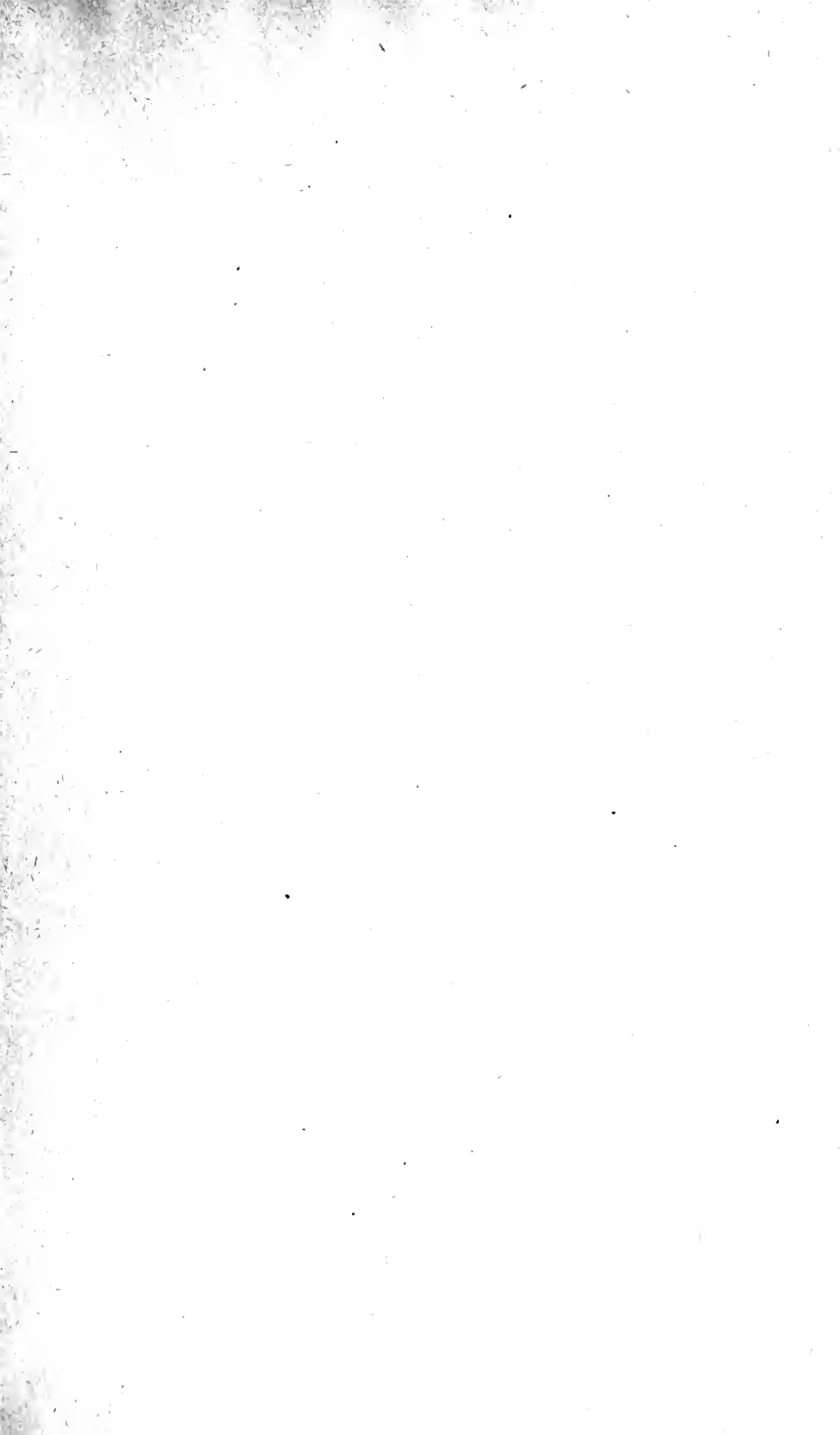
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